



Protecting South Dakota's Tomorrow ... Today

## BOARD OF WATER AND NATURAL RESOURCES

March 30-31, 2017

Matthew Training Center  
Joe Foss Building  
523 E. Capitol Ave.  
Pierre, SD

### AGENDA

Live audio of the meeting can be heard at <http://www.sd.net/mtc>

\*\*Scheduled times are estimates only. Some items may be delayed due to prior Scheduled items or may be moved up on the agenda.\*\*

**March 30, 2017**

*1:00 p.m. CDT*

1. Call meeting to order
2. Approve agenda
3. Approve minutes of the January 5 and 11, 2017 meetings
4. Introductions
5. Approval of Documents for U.S. Bank Trustee Transition — Mike Perkovich
  - a. Tri-Party Agreement
  - b. Trustee Contract
  - c. Custody Agreement
  - d. Filing Agent Agreement
6. Amendment to State Water Plan, 2017 Clean Water State Revolving Fund Intended Use Plan, and 2017 Drinking Water State Revolving Fund Intended Use Plan — Andy Bruels
7. Edgemont Request to Amend Drinking Water State Revolving Fund Loan C462216-01 and Consolidated Water Facilities Construction Program Grant 2016G-200 — Drew Huisken
8. TC&G Water Association, Inc. Request to Amend Drinking Water State Revolving Fund Loan C462479-01—Drew Huisken
9. Onida Request to Amend Drinking Water State Revolving Fund Loan C462234-01 and Consolidated Water Facilities Construction Program Grant 2015G-301—Andy Bruels
10. DENR Request to Amend Solid Waste Management Program Grant 2017G-SW-201—Drew Huisken

Notice is given to individuals with disabilities that this meeting is being held in a physically accessible location. Please notify the Department of Environment and Natural Resources at least 48 hours before the meeting if you have a disability for which special arrangements must be made. The telephone number for making arrangements is (605) 773-4216.

11. Sanitary/Storm Sewer Facilities Funding Applications—Mike Perkovich
  - a. Summerset (31)
  - b. Sturgis (25)
  - c. Blunt (21)
  - d. Sioux Falls (20)
  - e. Miller (11)
  - f. Salem (11)
  - g. Onida (10)
  - h. Gregory (9)
  - i. Colton (8)
  - j. Lake Norden (7)
  - k. Centerville (6)
12. Drinking Water Facilities Funding Applications—Andy Bruels
  - a. Hermosa (145)
  - b. Langford (108)
  - c. Yankton (73)
  - d. Lesterville (52)
  - e. Onida (24)
  - f. B-Y Water District (23)
  - g. Martin (20)
  - h. Colton (19)
  - i. Pine Cliff Park Water & Maint., Inc. (17)
  - j. Humboldt (14)
  - k. Plankinton (14)
  - l. Worthing (14)
  - m. Doland (12)
  - n. Miller (10)
  - o. Salem (10)
13. Small Water Facilities Funding Application—Andy Bruels
  - a. Canova

**March 31, 2017**

*8:15 a.m. CDT*

14. Legislative Update—Jim Feeney
15. South Dakota Lake Conditions—Sean Kruger
16. Funding Decisions
  - a. Sanitary/Storm Sewer Facilities—Mike Perkovich
  - b. Drinking Water Facilities—Andy Bruels
  - c. Small Water Facilities—Andy Bruels
17. DENR Request to Amend State Water Resources Management System Grant 2016-64—Jim Feeney
18. Board of Water and Natural Resources SFY 2018 Meeting Schedule—Mike Perkovich
19. June 22-23, 2017 Meeting
20. Adjourn

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The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

Minutes of the  
Board of Water and Natural Resources Meeting

Conducted via the Digital Dakota Network

Northern State University  
Aberdeen, SD

Department of Transportation  
Brookings, SD

Mitchell Technical Institute  
Mitchell, SD

Capitol Building  
Pierre, SD

University Center  
Rapid City, SD

University Center  
Sioux Falls, SD

University of South Dakota  
Vermillion, SD

Department of Environment and Natural Resources  
Watertown, SD

January 5, 2017  
1:00 p.m. CST

**CALL MEETING TO ORDER:** The meeting was called to order by Chairman Brad Johnson. The roll was called, and a quorum was present.

Chairman Johnson announced that the meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

**BOARD MEMBERS PRESENT:** Brad Johnson, Gene Jones, Jr., Todd Bernhard, Jackie Lanning, Paul Goldhammer, and Dr. Paul Gnirk.

BOARD MEMBERS ABSENT: Jerry Soholt

OTHERS: See attached sign-in sheets.

APPROVE AGENDA: There were no changes to the posted agenda. Chairman Johnson approved the agenda.

APPROVE MINUTES OF NOVEMBER 9 AND DECEMBER 7, 2016, MEETINGS: Motion by Gnirk, seconded by Bernhard, to approve the minutes of the November 9, 2016 and December 7, 2016, Board of Water and Natural Resources meetings. A roll call vote was taken, and the motion carried unanimously.

SECTION 319 APPLICATIONS: Barry McLaury reported that the Board of Water and Natural Resources is the designated entity that provides the state's Section 319 nonpoint source project funding recommendations to EPA. The board considers recommendations from the Nonpoint Source (NPS) Task Force as part of its selection process.

Nine applications requesting \$3,500,000 in 319 funding were received by DENR and reviewed by the NPS Task Force.

The 2017 Clean Water SRF Intended Use Plan authorized the use of \$1,000,000 in administrative surcharge fees for Water Quality grants to supplement the Consolidated and Section 319 programs for wastewater treatment and TMDL implementation projects. Staff anticipates receiving \$2,544,000 in 319 funds, which is at the same level as last year's allocation.

Mr. McLaury noted that the DENR and NPS Task Force recommendations summarized in the table included in the board packet reflect both the anticipated FFY 2017 Section 319 federal funding allocation and \$150,000 in Clean Water SRF Water Quality grant awards. The department proposes to use \$680,000 for administration of the NPS program, which leaves \$2,014,000 for pass through grants.

With final FFY 2017 appropriation levels being delayed until the new administration and congress are in place, DENR recommended that up to \$250,000 in Water Quality grant funding be allocated for these projects. The additional \$100,000 would be used to address up to a four percent decrease in federal 319 funding. If the decrease is more than four percent, all pass through grants will be reduced proportionately.

Mr. McLaury presented the nine applications and recommended funding levels.

### **Belle Fourche River Watershed Implementation Project - Segment 8**

The project is sponsored by the Belle Fourche River Watershed Partnership. This segment of the Belle Fourche River project is the 16th year under contract as a watershed project. Best Management Practices (BMPs) to be implemented include irrigation sprinkler systems, grazing management systems, riparian vegetation improvements, improved cropping systems, and relocating livestock feeding grounds. DENR asked the sponsor to make Horse Creek, a Belle

Fourche river tributary not meeting the total suspended solids standard, a priority area for implementation and monitoring efforts.

**Total Cost: \$3,130,900**

**319 Grant Request: \$1,144,000**

DENR Funding Recommendation: \$650,000 in Section 319 funds for two years and that \$200,000 of the \$600,000 requested for irrigation be provided for conversion to sprinkler irrigation, and the use of these funds be limited to the priority Horse Creek Watershed, \$150,000 for riparian improvement, \$39,000 for water quality monitoring, and the balance for project management and administration.

**Northeast Glacial Lakes Watershed Project - Segment 4**

This project is sponsored by the Day County Conservation District. The two-year project will continue to protect and improve the water quality of northeast South Dakota glacial lakes, streams and rivers by implementing BMPs that reduce fecal coliform bacteria, nutrients, and sediment loads entering water bodies.

Total Cost: \$676,260

319 Grant Request: \$309,800

DENR Funding Recommendation: \$250,000 in Section 319 funds for two years, and that the 319 funds will provide match for 1.5 FTE instead of the 2 FTEs proposed in the work plan.

**South Dakota Nonpoint Source I&E Project - Segment 5**

This project is sponsored by the South Dakota Discovery Center and will focus on public outreach to adults, and support local and regional activities through a competitive Mini-grants Program and increase teacher, student, and adult awareness of and proficiency in watersheds and watershed protection.

Total Cost: \$511,508

319 Grant Request: \$300,000

DENR Funding Recommendation: \$250,000, which includes \$200,000 in Section 319 funds and \$50,000 Clean Water SRF Water Quality funds, for two years to help make up the shortfall in available funding, and that up to \$50,000 of the 319 funds be dedicated to Envirothon at \$25,000 per year.

**South Central Watershed Implementation Project - Segment 1 Amendment (previously awarded \$931,335 in 2016)**

The project is sponsored by the James River Water Development District. This three-year project is aimed at restoring water quality in the Lewis and Clark Lake, Lake Andes, Geddes, and Platte Lake watersheds, impaired reaches of the Lower James River tributaries, and the Vermillion River watershed.

Total Cost: \$9,000,000

319 Grant Request: \$650,000

DENR Funding Recommendation: \$464,000 in Section 319 funds.

### **Water Quality Planning Project**

This project is sponsored by the South Dakota Association of Conservation Districts. The two-year project will continue to provide planning and implementation of agricultural BMPs in select 303(d) listed waterbodies in South Dakota.

Total Cost: \$943,848

319 Grant Request: \$351,848

DENR Funding Recommendation: No funding. The 303d planning effort initiated in 2003 is winding down and no new ideas or direction have been developed.

### **Assessing the Effectiveness of Dredging as a BMP to Improve Lake Water Quality**

This project is sponsored by the South Dakota School of Mines and Technology. The two-year project will evaluate the effectiveness of dredging Black Hills lakes on water quality. Outcomes from this project will provide insight into the effectiveness of dredging as a BMP and broader insight into future implementation of BMPs incorporating chlorophyll a.

Total Cost: \$234,506

319 Grant Request: \$140,699

DENR Funding Recommendation: No funding. Dredging is not promoted as a BMP by the Nonpoint Source program.

### **Soil Health Improvement and Planning Project**

This project is sponsored by the newly formed South Dakota Soil Health Coalition with the goal of improving soil health through planning and implementation of agricultural BMPs and outreach to local landowners and the general public to provide a better understanding of soil health and its relationship to water quality benefits.

Total Cost: \$301,800

319 Grant Request: \$168,000

DENR Funding Recommendation: \$150,000 (\$100,000 in 319 funds and \$50,000 in Clean Water SRF Water Quality funds) for two years. This new initiative will complement, coordinate and expand soil health efforts already started by 319 implementation projects, NRCS, SDSU, and producer groups in the state. It also supports efforts between NRCS and EPA on the national level.

### **South Dakota Envirothon**

The project is sponsored by the Belle Fourche River Watershed Partnership. This two-year project will build natural resources literacy through a hands-on, environmental education program and team competition for high school-aged students. Teams are formed from associated

high schools, home school groups, 4-H, and FFA, and study through the year with their coach in preparation for a statewide competition in late spring.

Total Cost: \$227,840

319 Grant Request: \$60,000

DENR Funding Recommendation: No funding. The South Dakota Envirothon project previously leveraged \$20,000 through the South Dakota Discovery Center, and it makes sense to continue in this manner since the process for them to receive funds through the Discovery Center is already in place.

### **Grassland Management & Planning Project – Segment 5**

This project is sponsored by the South Dakota Grasslands Coalition. The project will continue to provide grassland managers with accelerated technical assistance to plan and implement 100,000 acres of intensive grassland management systems and transfer grassland management information to ranchers, researchers, agency specialists and the public.

Total Cost: \$824,380

319 Grant Request: \$368,880

DENR Funding Recommendation: \$250,000 (\$200,000 in Section 319 funds and \$50,000 in Clean Water SRF Water Quality funds) for two years, and that the 319 and Water Quality funds will provide match for 1 FTE instead of the 2 FTEs listed in the work plan. Funds will continue to be provided for range consultants for the on the ground work developing grazing plans.

This concluded Mr. McLaury's presentation of the funding applications.

Jay Gilbertson, chairman of the NPS Task Force, stated that on December 13, 2016, the NPS Task Force met and voted to concur with the DENR funding recommendations.

Mr. McLaury and Mr. Feeny answered questions from the board members.

Mr. McLaury requested separate board actions to provide for the awards from the Clean Water SRF Water Quality grant funding source and to provide the state 319 funding recommendations to EPA.

Motion by Gnirk, seconded by Lanning, to concur with the funding recommendations of the Department of Environment and Natural Resources and the Nonpoint Source Task Force, and to authorize the department to forward the FFY 2017 Section 319 funding recommendations to EPA with adjustments to final federal funding levels. A roll call vote was taken, and the motion carried unanimously.

Motion by Goldhammer, seconded by Jones, to authorize the Department of Environment and Natural Resources to enter into grant agreements with the South Dakota Discovery Center, South Dakota Soil Health Coalition, and the South Dakota Grasslands Coalition in the total amount of up to \$250,000 from Clean Water SRF administrative surcharge fees pursuant to the 2017 Clean

Water SRF Intended Use Plan, contingent upon the 2017 Legislature authorizing the required budget authority for the awards. A roll call vote was taken, and the motion carried unanimously.

RESCISSION OF DEPENDABLE SANITATION, INC. SOLID WASTE MANAGEMENT PROGRAM LOAN 2015L-REC-105 AND SOLID WASTE MANAGEMENT PROGRAM GRANT 2015G-REC-101:

Drew Huisken reported that in March 2014, the Board of Water and Natural Resources adopted Resolution No. 2014-53 awarding a \$290,000 Solid Waste Management Program (SWMP) loan and Resolution No. 2014-54 awarding a \$50,000 SWMP grant to Dependable Sanitation, Inc. for the purchase of equipment to separate cardboard and paper products from other materials at its single-stream recycling facility in Watertown.

Mr. Huisken noted that the grant will expire on March 28, 2017. Dependable Sanitation has previously indicated that the project is unlikely to be completed without the availability of grant funding.

On December 14, 2016, the department received a letter from Dependable Sanitation, Inc. requesting that the Board of Water and Natural Resources rescind SWMP loan 2015L-REC-105 and SWMP grant 2015G-REC-101.

Mr. Huisken stated that Dependable Sanitation, Inc. has indicated that it is still committed to completing the project at a later date and anticipates seeking a funding package when market conditions are more favorable.

Staff recommended rescinding the Solid Waste Management Program loan and grant awarded to Dependable Sanitation, Inc. in March 2014.

Mr. Huisken answered questions from the board.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution #2017-01** rescinding Resolution #2014-53 which approved Solid Waste Management Program Loan agreement 2015L-REC-105 not to exceed \$290,000 at 2.25 percent interest for ten years for Dependable Sanitation, Inc., and rescinding Resolution #2014-54 which approved Solid Waste Management Program Grant agreement 2015G-REC-101 for up to 14.8 percent of approved total project costs not to exceed \$50,000 for Dependable Sanitation, Inc., for upgrades to the Watertown recycling facility. A roll call vote was taken, and the motion carried unanimously.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION: Mike Perkovich discussed available funds for the Consolidated Water Facilities Construction Program, Drinking Water Facility Grants (Build America Bonds Federal Subsidy Payments), Drinking Water SRF Principal Forgiveness, Drinking Water SRF Loans, Clean Water SRF Water Quality Grants, Wastewater Facility Grants (Build America Bonds Federal Subsidy Payments), Clean Water SRF Principal Forgiveness, and Clean Water SRF Loans.

Maps showing the location of the all of funding applicants were included in the board packet.



Mr. Perkovich presented the Sanitary/Storm Sewer Facilities application and staff recommendation for funding.

**Belle Fourche** proposes to install 7,200 feet of sanitary sewer on 8th Avenue. The new sewer lines will be larger than the existing lines to alleviate issues with surcharging and to accommodate future capacity.

The city anticipates bidding the project in February 2017 with project completion in April 2018.

The total project amount is \$2,125,000, and the amount requested is \$2,125,000.

Rates that became effective January 1, 2017 are a flat rate of \$22.11.

Staff recommended awarding a \$2,125,000 Clean Water SRF loan at 2.25 percent interest for 20 years.

Belle Fourche has pledged a project surcharge for repayment of the loan. Staff analysis indicates Belle Fourche will have to establish a surcharge of \$5.10 per user per month. The surcharge will increase the monthly rate to \$27.21 per user. Mr. Perkovich noted that in order to qualify for either grants or principal forgiveness, the rates must be \$30 or more or the project must bring the rate above that \$30, which isn't the case for Belle Fourche, so the city isn't eligible for any subsidy.

Staff recommended the loan be contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Mr. Perkovich answered questions from the board.

Motion by Gnirk, seconded by Jones, to adopt **Resolution #2017-02** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,125,000 at 2.25 percent interest for 20 years to the **city of Belle Fourche** for sanitary sewer improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Andy Bruels presented the applications and staff recommendations for funding.

**Terry Trojan Water Project District** proposes to construct an additional well and SCADA upgrades at the existing well. The project will also replace existing faulty water lines with 6-inch PVC pipe throughout the district and includes other distribution system improvements.

The Terry Trojan Water District anticipates bidding the project in May 2017 with project completion in October 2017.

The total project amount is \$812,000, and the amount requested is \$812,000.

Eighty percent of the users on the Terry Trojan system are vacation homes. Monthly rates for these homes are a base rate of \$50 plus \$4 per 1,000 gallons used. This equates to \$78 per 7,000 gallons; however, these users pay only the base charge most of the time. Rates for the permanent residences and businesses are a base rate of \$47 plus \$4 per 1,000 gallons used. This equates to \$75 per 7,000 gallons.

Staff recommended awarding a \$812,000 Drinking Water SRF loan at 2.25 percent interest for 20 years with 9.9 percent as principal forgiveness not to exceed \$80,000.

Terry Trojan Water Project District has pledged system revenue for repayment of the loan.

Repayment of a \$732,000 loan would require system revenues to increase by approximately 26 percent. If the increase was applied only to the base rate, it would result in a charge of approximately \$66 for the vacation homes and \$63 for the full-time homes. The rate per 7,000 gallons would be to \$94 for the vacation homes and \$91 for the full-time homes.

Mr. Bruels noted that there are opportunities for the district to reduce the rates. The district has two outstanding loans and has enough available cash to pay one of them off. This could reduce rates by as much as \$4.50 per user. Additionally, the district has \$105,000 set aside for capital improvements that could be used on this project. Another possibility to reduce rates is to take the loan at a rate and term of 2.5 percent interest for 30 years, which would reduce the monthly debt by another \$5. This option was offered to the district by staff, and staff was informed of the district's preference for the 20-year loan.

Staff recommended the loan be contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower raising water rates to a level sufficient to provide the required debt coverage, and contingent upon the borrower demonstrating financial, managerial and technical capacity.

Mr. Bruels and Dustin Dale, consulting engineer with AE2S, answered questions from the board.

Motion by Goldhammer, seconded by Gnirk, to adopt **Resolution #2017-03** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$812,000 at 2.25 percent interest for 20 years with up to 9.9 percent principal forgiveness not to exceed \$80,000 to the **Terry Trojan Water Project District** for a water system rehabilitation project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower

raising rates to a level sufficient to provide the required debt coverage, and contingent upon the borrower demonstrating financial, managerial and technical capacity. A roll call vote was taken, and the motion carried unanimously.

**Belle Fourche** will replace approximately 1,500 feet of water main along 8th Avenue between Indian Street and Lincoln Street. The existing cast iron main is past its useful life and conflicts with the proposed location of new sanitary sewer lines.

The city anticipates bidding the project in February 2017 with project completion in April 2018.

The total project amount is \$265,000, and the amount requested is \$265,000.

Rates in Belle Fourche are \$22.66 per 5,000 gallons based on usage.

Staff recommended awarding a \$265,000 Drinking Water SRF loan, at 2.25 percent interest for 20 years.

Belle Fourche has pledged water revenues for repayment of the loan. Staff analysis indicates the debt coverage is 1,714 percent based on the rate of \$22.66 per 5,000 gallons, which exceeds the 110 percent requirement.

Staff recommended the loan be contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower demonstrating financial, managerial and technical capacity.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution #2017-04** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$265,000 at 2.25 percent interest for 20 years to the **city of Belle Fourche** for a water main replacement project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower demonstrating financial, managerial and technical capacity. A roll call vote was taken, and the motion carried unanimously.

WATERSHED RESTORATION PROJECT FUNDING APPLICATION: Mr. Perkovich presented the application and staff recommendation for funding.

**James River Water Development District** is the sponsor of the South Central Watershed Implementation Project - Segment 1 that Mr. McLaury described earlier in the Section 319 NPS presentations. This effort is aimed at restoring water quality to meet designated beneficial uses and address TMDLs established, and to be established, for water bodies in these watersheds.

The amount requested is \$275,000.

Staff recommended awarding a Consolidated grant up to 15 percent of the approved total project costs (based on a project cost of \$1,833,333) not to exceed \$275,000.

Mr. Perkovich noted that this Consolidated award will leverage more than \$1,500,000 from the USDA Regional Conservation Partnership Program, which is another source of funding for this project. The Consolidated grant will provide 15 percent of the cost share for grassed waterway practices, shoreline and streambank restoration, and the design and construction of up to eight animal waste management systems.

Mr. McLaury and Jeremy Schelhaas with DENR and Rocky Knippling with the James River Water Development District, answered questions from the board.

Motion by Jones, seconded by Lanning, to adopt **Resolution #2017-05** approving the South Dakota Consolidated Water Facilities Construction Program Grant Agreement to the **James River Water Development District** for up to 15 percent of approved total project costs not to exceed \$275,000 for the South Central Watershed Implementation – Segment I project. A roll call vote was taken, and the motion carried unanimously.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS: Drew Huisken discussed available funding for the Solid Waste Management Program.

Mr. Huisken presented the Solid Waste Management Program applications and the staff recommendations for funding. A map showing the location of the projects was included in the board packet.

**Huron** is proposing to purchase a new or lightly used mini-excavator to assist in loading recyclables for transport to a recycling facility in Sioux Falls. The equipment would allow the city to increase the tonnage per load from seven to nine tons to 10 to 14 tons. The excavator will also include a grapple thumb to remove unwanted items from the recycling trailer, which will result in a more efficient operation.

The total project amount is \$70,000, and the amount requested is \$35,000.

Staff recommended awarding a Solid Waste Management Program Grant up to 30 percent of eligible costs not to exceed \$21,000.

Mr. Huisken noted that staff analysis indicates that the city of Huron has sufficient funds to cover the remaining project costs.

Motion by Lanning, seconded by Goldhammer, to adopt **Resolution #2017-06** approving the Solid Waste Management Program grant agreement (2017G-REC-400) to the **city of Huron** for up to 30 percent of approved total project costs not to exceed \$21,000 for the purchase of equipment. A roll call vote was taken, and the motion carried unanimously.

**Vermillion** proposes to purchase a new landfill dozer for the regional landfill. The existing dozer is reaching the end of its useful life and has required more maintenance costs recently.

The new dozer will be slightly larger and will have GPS capabilities, which will allow the landfill to more efficiently compact and cover solid waste and move construction debris.

The city anticipates receiving bids for the equipment in January of 2017 and acquisition of the dozer in June of 2017.

The total project amount is \$500,000, and the amount requested is \$300,000.

Current fees at the Vermillion landfill are \$46.50 per ton for commercial users and \$52.00 per ton for public users.

Staff recommended awarding a \$150,000 Solid Waste Management Program loan at 2 percent interest for seven years and awarding a Solid Waste Management Program grant for up to 30 percent of approved total project costs not to exceed \$150,000.

Vermillion is pledging revenues for repayment of the loan. Staff analysis indicates that revenues will be sufficient to provide the required debt coverage of 100 percent.

Staff recommended the loan be contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower executing a revised Joint Powers Agreement.

Bob Iverson, solid waste director for the city of Vermillion, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution #2017-07** approving a Solid Waste Management Program loan (2017L-SW-401) to the **city of Vermillion** in an amount not exceeding \$150,000 at 2 percent interest for seven years for the purchase of equipment; and to adopt **Resolution #2017-08** approving the Solid Waste Management Program grant (2017G-SW-401) to the **city of Vermillion** for up to 30 percent of approved total project costs not to exceed \$150,000 for the purchase of equipment. A roll call vote was taken, and the motion carried unanimously.

**Walworth County** proposes to construct a new cell at the Walworth County landfill. The existing cell is nearly full, and the county needs to construct an additional cell.

The total project amount is \$862,268, and the amount requested is \$712,000.

Current fees are \$35.00 per ton for municipal solid waste. Mr. Huisken noted that this fee is one of the lowest in the state.

Staff recommended awarding a \$462,000 Solid Waste Management Program loan at 2.25 percent interest for 14 years and to award a Solid Waste Management Program grant for up to 29 percent of approved total project costs not to exceed \$250,000.

Walworth County is pledging revenues for repayment of the loan. Staff analysis indicates that revenues will be sufficient to provide the required debt coverage of 100 percent.

Staff recommended the loan be contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Ryan Badten, Walworth County Landfill, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution #2017-09** approving a Solid Waste Management Program loan (2017L-SW-402) to the **Walworth County Landfill** in an amount not exceeding \$462,000 at 2.25 percent interest for 14 years for the construction of a new solid waste cell; and to adopt **Resolution #2017-10** approving the Solid Waste Management Program grant (2017G-SW-402) to the **Walworth County Landfill** for up to 29 percent of approved total project costs not to exceed \$250,000 for the construction of a new solid waste cell. A roll call vote was taken, and the motion carried unanimously.

**Yankton** is proposing to convert to single stream recycling, which requires new containers and tipping arms on collection vehicles. With the conversion to new recycling containers, the city will need to purchase similar size solid waste containers to be compatible with the new tipping arms. The city will also need to purchase a semi-tractor and trailer to transport the collected recyclable materials to Sioux Falls for processing.

The city has received several quotes from suppliers for the containers, and the city plans to acquire the containers and other equipment after funding is awarded.

The total project amount is \$856,000, and the amount requested is \$850,000.

Current curbside collection fees are \$20.18 plus sales tax per month for residential users and \$20.18 plus sales tax per unit for commercial users.

In past projects, the board has awarded Solid Waste Management Program grants at 50 percent for curbside recycling collection containers. The board also typically does not award grant funding for solid waste collection containers. Given that this is a combined project, the recommended grant funding is approximately 50 percent of the cost of the recycling-related components.

Staff recommended awarding a \$574,500 Solid Waste Management Program loan at 2 percent interest for 10 years and awarding a Solid Waste Management Program grant for up to 32.2 percent of approved total project costs not to exceed \$275,500.

Yankton is pledging revenues from the city's Solid Waste Collection program for repayment of the loan. Staff analysis indicates that revenues will be sufficient to provide the required debt coverage of 100 percent.

Staff recommended the loan be contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Motion by Goldhammer, seconded by Bernhard, to adopt **Resolution #2017-11** approving a Solid Waste Management Program loan (2017L-REC-403) to the **city of Yankton** in an amount not exceeding \$574,500 at 2 percent interest for 10 years for the purchase of equipment for single stream recycling; and to adopt **Resolution #2017-12** approving the Solid Waste Management Program grant (2017G-REC-403) to the **city of Yankton** for up to 32.2 percent of approved total project costs not to exceed \$275,500 for the purchase of equipment for single stream recycling. A roll call vote was taken, and the motion carried unanimously.

FFY 2016 CLEAN WATER SRF ANNUAL REPORT: Mr. Perkovich reported that the South Dakota Conservancy District is required to submit an annual report to the Environmental Protection Agency for the Clean Water State Revolving Fund. The FFY 2016 report discusses activities from October 1, 2015 to September 30, 2016. The report is in the same format as in previous years.

In FFY 2016, the board awarded 21 Clean Water SRF loans and approved one amendment for total funding of \$32,812,000. Of these 21 loans, three received principal forgiveness in the aggregate amount of \$1,203,700. Loan repayments for the year totaled more than \$30,400,000, with \$23,600,000 in principal, \$5,500,000 in interest, and \$1,400,000 in administrative surcharge.

Staff recommended the board approve the draft annual report for the Clean Water SRF program and authorize staff to finalize and distribute the report.

Motion by Bernhard, seconded by Gnirk, to approve the draft annual report for the Clean Water SRF program and authorize staff to finalize and distribute the report. A roll call vote was taken, and the motion carried unanimously.

FFY 2016 DRINKING WATER SRF ANNUAL REPORT: Mr. Perkovich reported that the South Dakota Conservancy District is required to submit an annual report to the Environmental Protection Agency for the Drinking Water State Revolving Fund. The Federal Fiscal Year 2016 report discusses activities from October 1, 2015 to September 30, 2016. The report is in the same format as in previous years.

In FFY 2016, the board awarded 15 Drinking Water SRF loans for a total amount of \$23,584,000. Of those loans, four received principal forgiveness in the aggregate total of \$4,506,200. Loan repayments totaled more than \$18,800,000 with \$14,700,000 in principal, \$3,300,000 in interest, and \$856,645 in administrative surcharge.

Staff recommended the board approve the draft annual report for the Drinking Water SRF program and authorize staff to finalize and distribute the report.

Mr. Perkovich answered questions from the board.

Motion by Jones, seconded by Lanning, to approve the draft annual report for the Drinking Water SRF program and authorize staff to finalize and distribute the report. A roll call vote was taken, and the motion carried unanimously.

ASSIGNMENT OF RAPID CITY CONSOLIDATED GRANT 2015G-403 TO SOUTH

DAKOTA GAME, FISH AND PARKS: Mr. Perkovich reported that Rapid City submitted a grant application for a project to remove sediment from Canyon Lake. This was planned to be done at the same time the lake was being lowered for renovations of the dam. As presented in Rapid City's application, funding for the project was to come from the following sources:

- \$155,000 from a Consolidated or Water Quality grant;
- \$100,000 from Rapid City;
- \$150,000 from West Dakota Water Development District; and
- \$10,000 from the Black Hills Fly Fisherman

On January 8, 2015, the Board of Water and Natural Resources awarded a \$155,000 Consolidated Program grant to the city of Rapid City for the project. The award is for 37.4 percent based on a project cost of \$415,000.

Due to extraordinarily high flows in Rapid Creek throughout 2015, the sediment removal could not be accomplished as planned. Through the efforts of the West Dakota Water Development District, an alternative plan was developed. The plan was that the moneys dedicated to the project would be used to purchase a dredge that would be owned, operated, and maintained by the SD Game, Fish and Parks and used to remove sediment from Canyon Lake. Once this was accomplished, Game, Fish and Parks could use the dredge, at its own expense, to remove sediment from other Black Hills lakes.

Rapid City has submitted a letter requesting that the grant be transferred to Game, Fish and Parks for the purchase of the dredge and dredging of Canyon Lake.

Mr. Perkovich stated that to accomplish this, legal counsel has concluded that two steps are required. First, the existing grant agreement must be amended to include the purchase of the dredge and appurtenances in the project description. Then, the board must consent to assign the amended grant agreement to Game, Fish and Parks and the Assignment of Grant Agreement must be executed by Rapid City and Game, Fish and Parks.

Staff recommended the board amend the Consolidated grant to include the purchase of the dredge and appurtenances in the project description, and make no changes to the grant percentage or total project cost.

Mr. Perkovich stated that a recent article in the Rapid City Journal indicated Rapid City's contribution towards the project would be \$13,740. Leaving the grant percentage unchanged will require additional contributions from the city, or some other sponsor, to access the full \$155,000 state grant. If the board approves the amendment, the staff recommendation is to approve the assignment of amended grant to Game, Fish and Parks.



Mr. Perkovich and Mr. Feeney answered questions from the board regarding the Consolidated grant.

Dale Tech, public works director for Rapid City, Tim Rogers, West Dakota Water Development District, and John Carreiro, Game, Fish and Parks, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution #2017-13** approving the First Amendment to Consolidated Water Facilities Construction Program grant 2015G-403 for the **city of Rapid City** for up to 37.4 percent of all approved total project costs not to exceed \$155,000 to include the purchase of the dredge and appurtenances in the project description. A roll call vote was taken, and the motion carried unanimously.

Motion by Goldhammer, seconded by Gnirk, to adopt **Resolution #2017-14** approving the assignment of Consolidated Water Facilities Construction Program grant 2015G-403, as amended on January 5, 2017, from the city of Rapid City to the South Dakota Game, Fish and Parks. A roll call vote was taken, and the motion carried unanimously.

TC&G WATER ASSOCIATION REQUEST TO AMEND PROJECT SCOPE OF CONSOLIDATED GRANT 2016G-201: Mr. Huisken reported that in June 2015, TC&G Water Association Inc. received a \$1,390,000 Consolidated Water Facilities Construction Program grant and a \$210,000 Drinking Water State Revolving Fund loan to install new meters, a booster station, and 94,000 feet of water main. TC&G recently discovered that the system's water supply was not sufficient to keep up with demand and emergency repairs to some of TC&G's wells needed to be done. The cost estimate for these repairs is approximately \$46,500.

On December 21, 2016, the department received a letter from TC&G requesting that the Board of Water and Natural Resources amend the scope of the Consolidated grant to include rehabilitation work on the system's wells.

Staff recommended the board approve amendment of the project scope of Consolidated Water Facilities Construction Program Grant 2016G-201 to include rehabilitation work on the wells in TC&G's system.

Motion by Goldhammer, seconded by Bernhard, to adopt **Resolution #2017-15** approving the First Amendment to **TC&G Water Association, Inc.** Consolidated Water Facilities Construction Program grant agreement 2016G-201 for up to 66.2 percent of all approved total project costs not to exceed \$1,390,000 to include work needed to rehabilitate the system's wells. A roll call vote was taken, and the motion carried unanimously.

RESCISSION OF KINGBROOK DRINKING WATER SRF LOAN C462432-06: Andy Bruels reported that on March 31, 2016, Kingbrook Rural Water System was awarded a Drinking Water SRF loan in the amount of \$9,000,000. Soon after the award, Kingbrook informed staff that they were also seeking funding from USDA Rural Development. The two main reasons for this are that due to eligibility issues DENR had not been able to recommend funding for the entire

project Kingbrook was considering; and Kingbrook was hoping for a more favorable grant and loan award than was provided by the board.

Mr. Bruels stated that Kingbrook has been working for several months with Rural Development to finalize a funding package and just received official notification of the amounts and terms earlier this week. Kingbrook believes the funding package presented by Rural Development is more advantageous.

Kingbrook submitted a letter to the department requesting the loan be rescinded.

Staff recommended the board rescind Resolution #2016-39 authorizing the Drinking Water SRF loan to Kingbrook Rural Water System.

Mr. Bruels and Mr. Feeney answered questions from the board.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution #2017-16** rescinding Resolution #2016-39 which approved the Drinking Water SRF loan up to a maximum committed amount of \$9,000,000 to Kingbrook Rural Water System. A roll call vote was taken, and the motion carried unanimously.

NEXT MEETING: The next regularly scheduled board meeting will be March 30-31, 2017 in Pierre. Mr. Perkovich discussed possible agenda items.

Mr. Perkovich noted that the board would hold a telephone conference call on January 11, 2017, to consider two conflict of interest waiver requests submitted by Gene Jones, Jr.

ADJOURN: Motion by Lanning, seconded by Goldhammer, that the meeting be adjourned. A roll call vote was taken, and the motion carried unanimously.

Approved this 30<sup>th</sup> day of March, 2017.

(SEAL)

\_\_\_\_\_  
Chairman, Board of Water and  
Natural Resources

ATTEST:

\_\_\_\_\_  
Secretary, Board of Water and  
Natural Resources

ATTENDANCE SHEET  
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JANUARY 5, 2017

PIERRE  
CAPITOL BUILDING

<u>NAME (PLEASE PRINT)</u>	<u>ADDRESS</u>	<u>REPRESENTING</u>
Jim Feeney	Pierre	DENR
Mary Duvall	Pierre	legislative Oversight
Barry McLaury	Pierre	DENR
Andy Bruels	Pierre	DENR
Allen Prince	Pierre	DENR
Mike Perkovich	Pierre	DENR
Bob Jensen	Vermillion	City of Vermillion
TOOD BERNHARDT	FORT PIERRE	BWNR
Martine Knutsen	Pierre	CSO&D
PAUL GNIRK	NEW UNDERWOOD	BWNR
Paul Oldham	WAZZ	BWNR
Drew Huisken	Pierre	DENR
John Carreiro	Rapid City GFP	SD GFP





ATTENDANCE SHEET  
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JANUARY 5, 2017

BROOKINGS  
SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Jay Gilbertson

Brookings

East Dakota WTD

JACKIE LANNING

Brookings

BWNR

DRAFT

ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JANUARY 5, 2017

MITCHELL  
MITCHELL TECHNICAL INSTITUTE

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

NAME (PLEASE PRINT)	ADDRESS	REPRESENTING
J.E. "Jim" Putnam	Armour	SCWDD
Rocky Knigging	Chamberlain	JRWDD

ATTENDANCE SHEET  
BOARD OF WATER AND NATURAL RESOURCES MEETING  
CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JANUARY 5, 2017

SIOUX FALLS  
UNIVERSITY CENTER

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Cory Pott  
Gene Jones Jr.

416 Walnut St Yankton SD  
~~Blair~~ 9FSD <sup>57084</sup>

City of Yankton  
~~Blair~~ BWR

DRAFT



The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

Minutes of the  
Board of Water and Natural Resources  
Telephone Conference Call Meeting  
523 East Capitol  
Pierre, South Dakota

January 11, 2017  
11:30 a.m. CST

CALL TO ORDER: The meeting was called to order by Chairman Brad Johnson. The roll was called and a quorum of the board participated.

BOARD MEMBERS PRESENT: Brad Johnson, Jackie Lanning, Dr. Paul Gnirk, Jerry Soholt, and Paul Goldhammer.

BOARD MEMBERS ABSENT: Gene Jones, Jr. and Todd Bernhard

OTHERS: Jim Feeney, Mike Perkovich, Andy Bruels, DENR.

APPROVE AGENDA: There were no changes to the posted agenda. Chairman Johnson approved the agenda.

CONFLICT OF INTEREST WAIVER REQUEST: With the passage of House Bill 1214, SDCL 3-23-1 through 3-23-5, the Disclosure Laws, became effective July 1, 2016.

Absent a waiver, the Disclosure Laws prohibit current and certain former members of certain State boards, commissions and authorities from contracting with, or from deriving direct benefits from a contract with, a state agency if the contract is within the jurisdiction or related to the subject matter of the board. Absent a waiver, the Disclosure Laws also prohibit board members from contracting with, or deriving direct benefits from contracts with, political subdivisions of the State that administer or execute similar subject matter programs as the member's board. These prohibitions also apply to direct benefits derived from a state or political subdivision contract by a spouse or other person living with the board member and commingling assets with the board member.

Mike Perkovich presented the conflict of interest waiver requests submitted by Gene Jones, Jr.

Mr. Jones requested a waiver as President of Maguire Iron. McGuire Iron intends to enter into an agreement with the city of Edgemont to construct a water tower. Edgemont received funding from the Board of Water and Natural Resources for this project.

Staff recommended the board approve the conflict of interest waiver.

Motion by Lanning, seconded by Gnirk, that the board finds that the request for a conflict of interest waiver by board member Gene Jones, Jr. be approved and that the board hereby determines that the

transaction for which the waiver is requested is fair, reasonable, and not contrary to the public interest. A roll call vote was taken, and the motion carried unanimously.

Mr. Jones requested a waiver as President of Maguire Iron. McGuire Iron intends to enter into an agreement with the city of Springfield to construct a water tower. While Springfield has not received funding from the Board of Water and Natural Resources for this project, this would be a contract by a political subdivision dealing with a subject matter similar in nature to matters undertaken by the board.

Staff recommended the board approve the conflict of interest waiver.

Motion by Lanning, seconded by Goldhammer, that the board finds that the request for a conflict of interest waiver by board member Gene Jones, Jr. be approved and that the board hereby determines that the transaction for which the waiver is requested is fair, reasonable, and not contrary to the public interest. A roll call vote was taken, and the motion carried unanimously.

ADJOURN: Chairman Johnson declared the meeting adjourned at 11:37 a.m.

Approved this 30<sup>th</sup> day of March, 2017.

(SEAL)

\_\_\_\_\_  
Chairman, Board of Water and  
Natural Resources

ATTEST:

\_\_\_\_\_  
Secretary, Board of Water and  
Natural Resources

March 30, 2017

Item 5

TITLE: Approval of Documents for U.S. Bank Trustee Transition

EXPLANATION: On September 2, 2016 The First National Bank in Sioux Falls submitted written notice of its resignation as the State Revolving Funds programs Trustee, Loan Servicer, and Paying Agent/Registrar. At its September 22-23, 2016 meeting, the board authorized the release of a Request For Proposal for Trustee, Loan Servicer, and Paying Agent/Registrar services. On a teleconference on December 7, 2016, the board approved U.S. Bank National Association to succeed The First National Bank in Sioux Falls as Trustee, Loan Servicer, and Paying Agent/Registrar.

Legal staff, bond counsel, and the Office of the Attorney General have prepared the following documents as part of the transition:

- a. Tri Party Agreement among the Conservancy District, U.S. Bank, and First National bank in Sioux Falls for the orderly transition of trust assets and duties;
- b. Trustee Contract between the Conservancy District and U.S. Bank for services as Trustee, Loan Servicer, and Paying Agent/Registrar;
- c. Custody Agreement between the Conservancy District and U.S. Bank to provide services in connection with the custody of securities, cash, and other property the Conservancy District deposits with them, for example the guaranteed investment contracts; and
- d. Filing Agent Agreement between the Conservancy District and U.S. Bank for the purpose of obtaining from the Internal Revenue Service on a semiannual basis, the federal subsidy in relation to the Conservancy District's 2010 Build America Bonds.

RECOMMENDED ACTION: Approve a resolution authorizing the Chairman to execute the Tri-Party Agreement, the Trustee Contract, the Custody Agreement and the Filing Agent Agreement.

CONTACT: Mike Perkovich (605 773-4216)

TRI-PARTY AGREEMENT

This TRI-PARTY AGREEMENT (this “Instrument”), dated as of [to be determined], by and among South Dakota Conservancy District, (the “Issuer”), The First National Bank in Sioux Falls (the “Prior Trustee”) and U. S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America (the “Successor Trustee”).

WITNESSETH

WHEREAS, the Issuer has issued various series of bonds listed on Exhibit A pursuant to that certain Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010, as amended by the First Amendment to Fifth Amended and Restated Master Trust Indenture dated February 17, 2015, between the Issuer and the Prior Trustee (as heretofore amended and supplemented, the “Master Indenture), the various Series Resolutions also listed on Exhibit A and each “Bond Order” (as defined in the Master Indenture; the Master Indenture, the listed Series Resolutions and all Bond Orders, as hereafter amended, restated or supplemented, being collectively referred to as the “Indenture”);

WHEREAS, terms not defined herein shall have the meanings given thereto in the Indenture; and

WHEREAS, the Prior Trustee has been acting as Trustee under the Indenture; and

WHEREAS, the Prior Trustee has given notice of its intention to resign (“Notice of Intent”) as Trustee under the Indenture, such notice having been posted on the Electronic Municipal Market Access (“EMMA”) site on September 23, 2016; and

WHEREAS, the Notice of Intent states, among other things, that such resignation shall not be effective until a successor trustee has been appointed, has accepted the duties of Trustee, and all funds and property currently held by the Trustee under the Indenture have been transferred to a successor trustee, all as required by the Indenture; and

WHEREAS, Section 8.16 of the Master Indenture provides that upon the resignation of the Trustee or the occurrence of a vacancy in the office of the Trustee as a result of certain other circumstances, a successor may be appointed by the Holders of a majority in principal amount of the then Outstanding Bonds, but until such successor shall be so appointed, the Issuer shall, subject to the provisions of the Master Indenture, appoint a Trustee to fill any such vacancy; and

WHEREAS, Section 8.17 of the Master Indenture requires that every successor trustee shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting appointment of Trustee under the Indenture, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor under the Indenture, and the predecessor trustee shall deliver all securities and moneys held by it as Trustee to its successor; and

WHEREAS Section 8.17 of the Master Indenture further provides that should any assignment, conveyance or instrument in writing from the Issuer be required by any successor trustee for more fully and certainly vesting in such successor trustee the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such assignments, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer; and

WHEREAS, the Issuer, the Prior Trustee and the Successor Trustee, desire to implement the foregoing provisions in order to provide for (i) the resignation of the Prior Trustee, (ii) the appointment of the Successor Trustee as Trustee under the Indenture, (iii) the conveyance and transfer of the all the estates, properties, rights, powers, trusts, duties and obligations of the Prior Trustee under the Indenture to the Successor Trustee so that the Successor Trustee is fully vested therewith, and (iv) the acceptance by the Successor Trustee of such appointment, transfer and conveyance and all duties, trusts and responsibilities under the Indenture; and

NOW, THEREFORE, pursuant to the Indenture and in consideration of the covenants herein contained, it is agreed as follows:

1. Pursuant to the terms of the Master Indenture, the Prior Trustee has provided the Issuer, the Holders and the Rating Agencies with not less than 30 days written notice that the Prior Trustee resigns as Trustee under the Indenture. Such resignation shall be effective on the date which is ten (10) days following the date of this Agreement (i.e. April \_\_, 2016) (the “Effective Date”).

2. Effective as of the Effective Date, the Prior Trustee hereby assigns, conveys, transfers, delivers and confirms to the Successor Trustee all of its estates, properties, rights, powers and trusts as Trustee under the Indenture. For avoidance of doubt, such assignment and transfer includes all assets held in Funds, subfunds, accounts and subaccounts described in the Master Indenture and Series Resolutions.

3. The Prior Trustee agrees to execute and deliver such further instruments and shall take such further actions as the Successor Trustee or the Issuer may reasonably request so as to more fully and certainly vest and confirm in the Successor Trustee all of the rights, title, interests, capacities, privileges, duties and responsibilities hereby assigned, transferred, delivered and confirmed to the Successor Trustee, including without limitation, the execution and delivery of any instruments required to assign all liens in the name of the Successor Trustee.

4. Effective as of the Effective Date, the Issuer hereby accepts the resignation of the Prior Trustee and the Issuer hereby appoints the Successor Trustee as successor Trustee under the Indenture; and the Issuer confirms to the Successor Trustee all of the estates, properties, rights, powers and trusts of the Trustee under the Indenture.

5. The Issuer agrees to execute and deliver such further instruments and to take such further action as the Successor Trustee may reasonably request so as to more fully and certainly vest and confirm in the Successor Trustee all the estates, properties, rights, powers and trusts hereby assigned, conveyed, transferred, delivered and confirmed to the Successor Trustee.

6. Effective as of the Effective Date, the Successor Trustee hereby accepts its appointment as successor Trustee under the Indenture and the transfer and conveyance described herein and all duties, trusts and responsibilities under the Indenture, and the Successor Trustee is and shall be vested with all of the estate, properties, rights, powers and trusts of the Trustee under the Indenture as of the Effective Date.

7. The Successor Trustee hereby represents that it is qualified and eligible under Section 8.13 of the Master Indenture to be appointed successor Trustee.

8. The Issuer shall cause notice of the resignation of the Prior Trustee and the appointment of the Successor Trustee to be given to the Holders and the Rating Agencies within 30 days of the Effective Date.

9. Effective as of the Effective Date, the Successor Trustee shall serve as Trustee as set forth in the Indenture at its principal corporate trust office in Saint Paul, Minnesota or such other address as may be specified, where notices and demands to or upon the Issuer in respect of the Bonds may be served.

10. The Prior Trustee hereby represents and warrants to the Successor Trustee that:

(a) To the best of its knowledge no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default has occurred and is continuing under the Indenture.

(b) No covenant or condition contained in the Indenture has been waived by the Prior Trustee or to the best of its knowledge by the holders of the percentage in aggregate principal amount of the Bonds required by the Indenture to affect any such waiver.

(c) There is no action, suit or proceeding pending or threatened against the Prior Trustee before any court or governmental authority arising out of any action or omission by the Prior Trustee as Trustee under the Indenture.

(d) The Prior Trustee has not entered into any supplement or amendment to the Indenture or any other document executed by the Prior Trustee in connection with the Bonds except as set forth herein.

(e) As of the Effective Date the Prior Trustee has assigned to the Successor Trustee all of its right, title and interest in and to that certain (i) (A) Flexible Draw Investment Agreement dated as of December 19, 1996 among MBIA Inc., a Connecticut corporation ("MBIA"), the Prior Trustee and the Issuer (the "MBIA GIC"), (B) financial guaranty insurance policy designated as Policy Np. INC-0122 issued by MBIA Insurance Corporation ("MBIA Insurer) relating to the MBIA GIC and (C) Custodial Agreement dated as of September 8, 2008 among MBIA, the Prior Trustee and Wells Fargo Bank, National Association as collateral agent (the "MBIA Custodian") , (ii) (A) Investment Agreement dated as of July 13, 2004 by and among AIG Matched Funding Corp. ("AIGMFC"), the

Issuer and the Prior Trustee (the “2004 AIG GIC”), (B) Guarantee dated July 13, 2004 (the “2004 AIG Guarantee”) of American International Group, Inc., a Delaware corporation (“AIG Guarantor”) in favor of the Issuer and the Prior Trustee with respect to the obligations of AIGMFC under the 2004 AIG GIC and (c) letter dated September 29, 2008 (the “2004 AIG Collateral Agent Letter”) from AIGMFC to Wells Fargo Bank National Association, as Collateral Agent (the “2004 Collateral Agent”) accepted and agreed to by the 2004 Collateral Agent and receipt of which was acknowledged by the Prior Trustee and the Issuer, and (iii) (A) Investment Agreement dated as of October 20, 2005 by and among AIGMFC, the Issuer and the Prior Trustee (the “2005 AIG GIC”), (B) Guarantee dated July 13, 2005 (the “2005 AIG Guarantee”) of AIG Guarantor in favor of the Issuer and the Prior Trustee with respect to the obligations of AIGMFC under the 2005 AIG GIC and (c) letter dated September 29, 2008 (the “2005 AIG Collateral Agent Letter”) from AIGMFC to Wells Fargo Bank National Association, as Collateral Agent (the “2005 Collateral Agent”) accepted and agreed to by the 2005 Collateral Agent and receipt of which was acknowledged by the Prior Trustee and the Issuer (the “MBIA GIC, the 2004 AIG GIC , the 2005 AIG GIC and the other instruments and agreements referenced in the preceding clauses (i), (ii) and (iii) being collectively referred to herein as the “Investment Agreements”). Attached as Schedule 1 is a listing of all amounts invested under the Investment Agreements broken down as each Investment Agreement and as to the amounts on deposit in each Fund or Account thereunder as of the date indicated in Schedule 1.

(f) Schedule 2 attached hereto sets forth the remaining amounts (other than amounts invested in the Investment Agreements) held and or invested by the Prior Trustee as of the date indicated therein. [Describe if any such investments are being transferred by re-designating the account holder at the investment institution and whether any further action is required to cause the investment institution to recognize the Successor Trustee.]

(g) As of the Effective Date, the Prior Trustee has transferred the sum of \$\_\_\_\_\_ <sup>1</sup> which appears on attached Schedule 2 to the Successor Trustee in immediately available funds. In addition to the transfers in (1) and (2) of this subparagraph, the Prior Trustee shall transfer any accrued and unpaid interest on current investments to the Successor Trustee promptly upon receipt thereof, which shall be no later than [Date]. Except for accrued and unpaid interest on investments described in the preceding sentence and as otherwise indicated in the last sentence of Section 2, the Investment Agreements and cash amount transferred on this date constitute the entire amounts of Trust Funds as of the Effective Date, and the Prior Trustee holds no other investments or moneys in any fund or account established by it as Trustee under the Indenture other than the Loan Obligations.

(h) As of or promptly after the Effective Date hereof, the Prior Trustee shall deliver to the Successor Trustee the items listed on Exhibit B annexed hereto.

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<sup>1</sup> Based on most recent input, I anticipate that this amount will equal cash on hand not invested in the GICs or the State Investment Pool – presumably that means funds at Federated or other institutions? Please clarify/confirm. Discuss whether we need to break this down into location of investment.

(i) The Prior Trustee has provided notice to each Obligor with respect to a Loan Obligation that all future Loan Repayments shall be remitted to the Successor Trustee at the notice address specified in Section 13 hereof. If, notwithstanding the notice referenced in the preceding sentence, Prior Trustee receives any Loan Repayments from an Obligor following the Effective Date, Prior Trustee shall provide a second notice as described in the preceding sentence and shall promptly, and in no event less frequently than weekly, remit any such Loan Repayments to the Successor Trustee via ACH to the account described in Section 13 hereof; provided, however, in the event that any such Loan Repayments are evidenced by a check payable to the Prior Trustee, such check shall be returned to the obligor with instructions to pay such amount to the Successor Trustee.

11. Each of the parties hereto hereby represents and warrants for itself that as of the date hereof, and the Effective Date:

(a) it has power and authority to execute and deliver this Instrument and to perform its obligations hereunder, and all such action has been duly and validly authorized by all necessary proceedings on its part; and

(b) this Instrument has been duly authorized, executed and delivered by it, and constitutes a legal, valid and binding agreement enforceable against it in accordance with its terms, except as the enforceability of this Instrument may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditor's rights or by general principles of equity limiting the availability of equitable remedies.

12. The parties hereto agree that this Instrument does not constitute an assumption by the Successor Trustee of any liability of the Prior Trustee arising out of any actions or inaction by the Prior Trustee under the Indenture.

13. The parties hereto agree that as of the Effective Date, all references to the Prior Trustee as Trustee, Paying Agent and Registrar in the Indenture shall be deemed to refer to the Successor Trustee. From and after the Effective Date, all notices or payments which were required by the terms of the Indenture and Bonds to be given or paid to the Prior Trustee, as Trustee, shall be given or paid to: U.S. Bank National Association, Attention: Global Corporate Trust Services, 60 Livingston Avenue, St. Paul, Minnesota, 55107. In addition, the Successor Trustee hereby instructs the Prior Trustee and the Issuer that all payments or deliveries, as the case may be, to be made to the Successor Trustee under the Indenture shall, on and after the Effective Date and until further written notice, shall be directed to U.S. Bank National Association, as Trustee as follows:

Wire instructions:

BBK:	U.S. Bank N.A. / ABA #091000022
BNF:	U.S. Bank Corporate Trust / Acct #180121167365
REF:	South Dakota Conservancy District



Delivery Instructions:

The following "USBANK" agent ID MUST be included on all DTC ID confirms for Corporate Trust Accounts

USBank, N.A. - Corporate Trust (Institutional ID 93696 & DTC Agent ID 52675)

U.S. Government and Government Agencies (Including GNMA's and collateral for repurchase agreements)

Federal Reserve Bank of Cleveland

For U.S. Bank, N.A.

ABA 042-000-013/1050

For account name: South Dakota Conservancy District

14. The resignation, appointment and acceptance affected hereby shall become effective as of the opening of business on the Effective Date.

15. This Instrument shall be governed by and construed in accordance with the laws of the State of South Dakota.

16. This Instrument may be executed in any number of counterparts, each of which shall be an original, but which counterparts, shall together constitute but one and the same instrument.

17. Nothing contained in this Instrument shall in any way affect the obligations or rights of the Issuer or the Prior Trustee. This Instrument shall be binding upon and inure to the benefit of the Issuer, the Prior Trustee and the Successor Trustee and their respective successors and assigns.

18. All fees owing to the Prior Trustee for the period prior to the Effective Date shall be paid by the Issuer out of the Administration Fund upon written request of Issuer provided to the Successor Trustee. The fees payable by the Issuer on and after the Effective Date under the Indenture shall henceforth be invoiced by and paid to the Successor Trustee at such address and account as shall hereafter be provided by the Successor Trustee to the Issuer.

19. Nothing contained in this Instrument shall in any way affect the obligations of the Issuer to the Prior Trustee under the Indenture or any lien created thereunder.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed and attested by their duly authorized officers, all as of the date and year first above written.

SOUTH DAKOTA CONSERVANCY DISTRICT,  
as Issuer

Attest: \_\_\_\_\_

By: \_\_\_\_\_  
Its Chairman

THE FIRST NATIONAL BANK IN SIOUX FALLS,  
as Prior Trustee

Attest: \_\_\_\_\_

By: \_\_\_\_\_  
Its: Vice President and Trust Officer

U.S. BANK NATIONAL ASSOCIATION,  
as Successor Trustee

Attest: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A

List of Outstanding Bonds and Bond Issue Series Resolutions

South Dakota Conservancy District State Revolving Fund Program Bonds, Series 1996A Series Resolution 96-117 adopted November 13, 1996

South Dakota Conservancy District State Revolving Fund Program, Taxable Revenue Bonds Series 2010A (Build America Bonds) Series Resolution 2010-104 adopted December 10, 2010

South Dakota Conservancy District State Revolving Fund Program, Revenue Bonds Series 2010B – Series Resolution 2010-104 adopted December 10, 2010

South Dakota Conservancy District State Revolving Fund Program, Taxable Revenue Bonds Series 2012A – Series Resolution 2012-80 adopted April 10, 2012

South Dakota Conservancy District State Revolving Fund Program, Revenue Bonds Series 2012B – Series Resolution 2012-80 adopted April 10, 2012

South Dakota Conservancy District State Revolving Fund Program, Taxable Revenue Bonds, Series 2014A – Series Resolution 2014-83 adopted September 26, 2014

South Dakota Conservancy District State Revolving Fund Program, Revenue Bonds, Series 2014B – Series Resolution 2014-83 adopted September 26, 2014

## EXHIBIT B

### **Documents to be delivered to the Successor Trustee:**

1. Official Transcripts with respect to the Bonds, including closing certificates, legal opinions and related documents.
2. All outstanding Loan Agreements and Loan Obligations (as is defined in the Master Indenture).
3. All working files relating to the Bonds, Loan Obligations and Loan Agreements, including correspondence, compliance items, financial statements, proof of insurance, rebate calculations, etc.
4. Copies of current account statements listing holdings in each fund and account established under the Indenture and held by the Prior Trustee through the Effective Date.
5. All assets, including cash and securities, held by the Prior Trustee under the Indenture.
6. Executed copy of the Master Indenture, each Series Resolution, each Bond Order and each Investment Agreement.
7. Copies of any official notices sent by the Prior Trustee to all Holders pursuant to the terms of the Indenture.
8. All DTC FAST held global certificates.

STATE OF SOUTH DAKOTA  
CONSULTANT/CONTRACTOR CONTRACT  
FOR  
CONSULTANT SERVICES  
BETWEEN

Control #2017-\_\_

U.S. Bank National Association  
Global Corporate Trust Services  
1420 Fifth Avenue, 7th Floor  
Seattle, WA 98101

South Dakota Conservancy District  
523 East Capitol Ave  
Joe Foss Building  
Pierre, South Dakota 57501

hereafter referred to as Consultant

hereafter referred to as District

The District hereby enters into this Agreement for services with Consultant in consideration of and pursuant to the terms and conditions set forth herein.

1. The Consultant will those perform services described in the Work Plan, attached hereto as Exhibit A and by this reference incorporated herein.
2. The Consultant's services under this Agreement shall commence upon execution by both parties and end on December 31, 2019, unless sooner terminated pursuant to the terms hereof. The District reserves the right to extend this Agreement for an additional three year term upon such terms as may be mutually agreed upon.
3. The Consultant will not use State equipment, supplies or facilities. The Consultant will supply its Employer Identification Number to the District.
4. The District will make payment:
  - A. For trustee services upon satisfactory completion of services as specified in the Work Plan with reference to each series of bonds outstanding at the time of payment for the Drinking Water SRF Program and the Clean Water SRF Program an annual account administration fee of \$3,750 per series, for calendar year 2017; an annual account administration fee of \$3,750 per series for calendar year 2018; and an annual account administration fee \$3,750 per series for calendar year 2019. Payment will be made in semi-annual installments in June and December of each year of the contract.
  - B. For loan servicer services upon satisfactory completion of services as specified in the Work Plan with reference to the Clean Water SRF Program a per loan fee of \$400 based on the number of loans outstanding at the time of payment for calendar year 2017; a per loan fee of \$400

based on the number of loans outstanding at the time of payment for calendar year 2018; and a per loan fee of \$400 based on the number of loans outstanding at the time of payment for calendar year 2019. Payment will be made in semi-annual installments in June and December of each year of the contract.

C. For loan servicer services upon satisfactory completion of services as specified in the Work Plan with reference to the Drinking Water SRF Program a per loan fee of \$400 based on the number of loans outstanding at the time of payment for calendar year 2017; a per loan fee of \$400 based on the number of loans outstanding at the time of payment for calendar year 2018; and a per loan fee of \$400 based on the number of loans outstanding at the time of payment for calendar year 2019. Payment will be made in semi-annual installments in June and December of each year of the contract.

D. The District will pay an annual fee of \$1,750 per guaranteed investment contract for the handling and reconciliation of each investment contract. This annual fee will be charged only during the life of a specific guaranteed investment contract. Payment will be made in semi-annual installments in June and December of each year of the contract.

E. The District will not pay Consultant expenses as a separate item

F. TOTAL CONTRACT AMOUNT based on the fees as described in Section 4(A) through (E) above will be an amount not to exceed \$750,000.

G. The District will pay a Trustee Acceptance Fee of up to \$3,750 per new Series of Bonds or Notes. Payment will be made at the time of bond closing.

5. The Consultant agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the District, its officers, agents or employees.

6. The District does not require an insurance provision.

7. While performing services hereunder, the Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

8. Consultant agrees to report to the District any event encountered in the course of performance of this Agreement which results in injury to the person or property of

third parties, or which may otherwise subject Consultant or the District to liability. Consultant shall report any such event to the District immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the District and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the District under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

9. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the District at any time with or without notice. If termination for such a default is effected by the District, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the District because of Consultant's default. Upon termination the District may take over the work and may award another party an agreement to complete the work under this Agreement. If after the District terminates for a default by Consultant it is determined that Consultant was not at fault, then the Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

10. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the District. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the District.

11. This Agreement may not be assigned without the express prior written consent of the District. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

13. The Consultant will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

14. The Consultant may not use subcontractors to perform the services described herein without the express prior written consent of the District. The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the

applicable provisions of this Agreement, to indemnify the District, and to provide insurance coverage for the benefit of the District in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

15. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to David Ruhnke on behalf of the District, and by and to \_\_\_\_\_ on behalf of the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

16. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

17. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

DISTRICT

CONSULTANT

SOUTH DAKOTA  
CONSERVANCY DISTRICT

U.S. BANK NATIONAL BANK  
GLOBAL CORPORATE TRUST  
SERVICES

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Brad Johnson  
Chairman

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(date)



## EXHIBIT A WORK PLAN

The Consultant agrees to act as Trustee, Loan Servicing Agent and Registrar/Paying Agent in connection with the South Dakota Conservancy District Clean Water State Revolving Fund Series 1996A, 2010A, 2010B, 2012A, 2012B, 2014A and 2014B Revenue Bonds pursuant to the Indentures of Trust dated September 1, 1992 and January 1, 1994, the Supplemental Indenture dated January 1, 1995, the Amended and Restated Master Trust Indenture dated July 1, 2005, the First Amendment to Amended and Restated Master Trust Indenture dated October 1, 2005, the Second Amendment to Amended and Restated Master Trust Indenture dated April 1, 2006, the Third Amended and Restated Master Trust Indenture and the Series 2008 Supplemental Indenture, each dated as of March 1, 2008, the Fourth Amended and Restated Master Trust Indenture dated August 1, 2009, the Fifth Amended and Restated Master Trust Indenture dated September 1, 2010, the First Amendment to Fifth Amended and Restated Master Trust Indenture dated February 17, 2015, and the Series Resolution dated November 13, 1996 adopted in connection with the Series 1996A Revenue Bonds the Series Resolution dated December 10, 2010, adopted in connection with the Series 2010A and 2010B Bonds, the Series Resolution dated April 10, 2012 adopted in connection with the Series 2012 Bonds, and the Series Resolution dated September 26, 2014, adopted in connection with the Series 2014A and 2014B Bonds (the "Indentures"). The Trustee will perform all services required under the Indentures including but not limited to: making payment on the Series 1996A, 2010A, 2010B, 2012A, 2012B, 2014A and 2014B bonds, semiannually; executing borrower loan documents for loan closings; receiving Order Authorizing Loan Disbursement and Letter of Credit requests and disbursing loan funds to all Borrowers; maintaining, investing and updating all funds, accounts and subaccounts within the SRF in accordance with the Indentures; providing the Issuer with monthly statements of all funds, accounts and subaccounts detailing the monthly activities in each; providing the Issuer with the SRF Commercial Loan Tracking Report on a monthly basis; setting up an amortization schedule for each loan and receiving and depositing borrower loan repayments in the appropriate accounts; participating in the annual Environmental Protection Agency and State Legislative Audit SRF program audits; assisting with the preparation of the required SRF Annual Report to the Environmental Protection Agency; and participating in conferences and meetings as Trustee as needed or requested by the Issuer, which may include Board of Water and Natural Resources' meetings. Annual arbitrage rebate calculations will be performed and paid for under a separate contract with the Rebate Consultant, Perkins Coie, LLP, the District's Bond Counsel. Bond Counsel subcontracts certain calculation agent services to Willdan Financial Services. Bond Counsel takes the responsibility for the preparation of the actual rebate reports and opinion letter, but the Trustee is responsible for furnishing information in a manner and form that facilitates the calculation. Such reports require the Trustee to generate detailed investment data in a form that is available for use by the Rebate Consultant.

The Consultant agrees to act as Trustee, Loan Servicing Agent and Registrar/Paying Agent in connection with the South Dakota Conservancy District Drinking Water State

Revolving Fund Series 2010A, 2010B, 2014A, and 2014B Revenue Bonds issued pursuant to the Amended and Restated Master Trust Indenture dated July 1, 2005; the First Amendment to Amended and Restated Master Trust Indenture dated October 1, 2005, the Second Amendment to Amended and Restated Master Trust Indenture dated April 1, 2006, the Third Amended and Restated Master Trust Indenture and the Series 2008 Supplemental Indenture, each dated as of March 1, 2008, the Fourth Amended and Restated Master Trust Indenture dated August 1, 2009, the Fifth Amended and Restated Master Trust Indenture dated September 1, 2010, the First Amendment to Fifth Amended and Restated Master Trust Indenture dated February 17, 2015, the Series Resolution dated December 10, 2010, adopted in connection with the Series 2010A and 2010B Bonds, and the Series Resolution dated September 26, 2014, adopted in connection with the Series 2014A and 2014B Bonds (the "Indentures"). The Trustee will also perform similar services as a Loan Servicing Agent for those Drinking Water State Revolving Fund program loans not funded with bond proceeds. The Trustee will perform all services required under the Indentures including but not limited to: making payment on the Series 2010A, 2010B, 2014A and 2014B bonds semiannually; executing borrower loan documents for loan closings; receiving Order Authorizing Loan Disbursement and Letter of Credit requests and disbursing loan funds to all Borrowers; maintaining, investing and updating all funds, accounts and subaccounts within the SRF in accordance with the Indentures; providing the Issuer with monthly statements of all funds, accounts and subaccounts detailing the monthly activities in each; providing the Issuer with the SRF Commercial Loan Tracking Report on a monthly basis; setting up an amortization schedule for each loan and receiving and depositing borrower loan repayments in the appropriate accounts; participating in the annual Environmental Protection Agency and State Legislative Audit SRF program audits; assisting with the preparation of the required SRF Annual Report to the Environmental Protection Agency; and participating in conferences and meetings as Trustee as needed or requested by the Issuer, which may include Board of Water and Natural Resources' meetings. Annual arbitrage rebate calculations will be performed and paid for under a separate contract with the Rebate Consultant, Perkins Coie, LLP, the District's Bond Counsel. Bond Counsel subcontracts certain calculation agent services to Willdan Financial Services. Bond Counsel takes the responsibility for the preparation of the actual rebate reports and opinion letter, but the Trustee is responsible for furnishing information in a manner and form that facilitates the calculation. Such reports require the Trustee to generate detailed investment data in a form that is available for use by the Rebate Consultant.

The liability and obligations of the Consultant are specified in the Indentures, the Escrow Agreements, the Forward Purchase Agreement, the Guaranteed Investment Contract, and the related documents.

The Consultant further agrees to act as Trustee, Loan Servicing Agent and Registrar/Paying Agent in connection with any new Series of Bonds or Notes issued under the Indenture by the South Dakota Conservancy District.

The Consultant as Loan Servicer is the responsible party for disbursement to the Borrowers from various accounts and the computation and recomputation of amortization

and payments under each loan. The Trustee is responsible for Program Maintenance, including 1) disbursement of borrower payments; 2) collection of borrower repayments; 3) computation of outstanding loan amount; and consultations with the Board, Bond Counsel, and Borrowers. In providing its Loan Servicing services, the Trustee will be required to set up an accounting system that treats the SRF programs as if they are branch banks; provide monthly status reports on each loan; and set up amortization schedule(s) for each loan.

The Consultant as Paying Agent/Registrar will authenticate, register, and transfer the District's bonds, pay semiannual interest on the District's bonds; pay annual principal on the District's bonds; and combine federal funds with bond proceeds and other state moneys for disbursement to Borrowers.

Draft

## CUSTODY AGREEMENT

This Custody Agreement (the "Agreement") is between the South Dakota Conservancy District, a governmental agency, body politic and corporate of the State of South Dakota (the "Customer"), and U.S. Bank National Association, a national banking association organized under the laws of the United States with offices in Minneapolis, Minnesota ("Bank").

The parties hereby agree as follows:

### 1. Appointment and Acceptance.

1.1 Customer hereby appoints Bank to provide custody services in connection with securities, cash, and other property Customer deposits, or causes to be deposited, from time to time under this Agreement; investment and reinvestments thereof; and income thereon, as provided herein (collectively the "Assets"). Bank hereby agrees to hold the Assets in a custody account established in the name of Customer (the "Account"), upon the terms and conditions set forth below.

1.2 In the event that Customer requires Bank to establish one or more sub-accounts within the Account under this Agreement ("Sub-Accounts"), Bank shall open such accounts pursuant to Bank's account opening procedures in effect at the time. The term "Account" as used in this Agreement shall refer to one or all of the Sub-Accounts, as the context of this Agreement shall require.

1.2.1 In no event shall Customer open Sub-Accounts for the benefit of entities having different tax identification numbers than Customer. Each Sub-Account will have the same tax identification number as Customer.

### 2. Books, Records and Accounts.

2.1 Accounting. Bank shall maintain proper books of account and complete records of Assets and transactions in the Account.

2.2 Audit. On at least five business days advance written notice, Bank shall permit Customer and Customer's independent auditors to inspect during Bank's regular business hours any books of account and records of Assets and transactions in the Account.

### 3. Asset Delivery, Transfer, Custody and Safekeeping.

3.1 Customer will from time to time deliver, or cause to be delivered, Assets to Bank. Bank shall receive and accept such Assets for the Account upon directions from Customer.

3.2 Account Statements. Bank will furnish Customer with (i) an Account statement with the frequency designated below (or as subsequently agreed upon by Bank and Customer) within thirty (30) calendar days after the end of the reporting period and (ii) a final Account statement within thirty (30) calendar days after Bank has transferred all Assets from the Account as provided under this Agreement. Such Account statements will reflect Asset transactions during the reporting period and ending Asset holdings. To the extent Customer has established an account in Bank's on-line portal, Bank will furnish such Account statements by way of such system. If no frequency is so designated or agreed upon, Customer shall be deemed to have designated "Monthly".

*(Check at least one):*

- Monthly
- Quarterly
- Semi-annually
- Annually

3.3 Except to the extent that Customer and Bank have entered into a separate written agreement that expressly makes Bank an investment manager of the Assets, the Account statements described above (including their timing and

form) serve as the sole written notification of any securities transactions effected by Bank for the Account. Customer has the right to demand that Bank provide written notification of such transactions pursuant to 12 CFR 12.4(a) or 12 CFR 12.4(b) at no additional cost to Customer.

3.4 Bank shall forward to any person authorized under this Agreement to direct the purchase or sale of an Asset information it receives with respect to the Asset concerning voluntary corporate actions and mandatory corporate actions, subject to the following exceptions:

3.4.1 Exception: If Bank receives during the term of this Agreement a class-action litigation proof of claim in respect to any of the Assets held in the Account during the class action period, Bank shall file such claim on behalf of Customer regardless of any waiver, release, discharge, satisfaction, or other condition that might result from such a filing.

3.4.2 Exception: Bank will not forward so-called “mini-tenders”. Mini-tenders are tender offers for a small amount of the outstanding securities of a “target” company, generally with an offer price at or below market value. For equity issues, unless a tender offer is made for 5% or greater of the outstanding securities, and is subject to Securities and Exchange Commission (“SEC”) review, the tender offer will not be forwarded by Bank.

3.4.3 Exception: No tender offer will be forwarded by Bank for a debt issue if, (i) it is not registered with the SEC, (ii) it has a “first received, first buy” basis with no withdrawal privilege and includes a guarantee of delivery clause, or (iii) the offer includes the statement that “the purchase price includes all accrued interest on the note and has been determined in the sole discretion of the buyer and may be more than or less than the fair market value of the notes” or similar language.

3.5 Upon receipt of directions from Customer, Bank shall return Assets to Customer, or deliver Assets to such location or third party as such directions may indicate, provided that in connection therewith it is the sole responsibility of Customer to provide any transfer documentation as may be required by the applicable Depository (as defined below) or third party recipient. Bank shall have no power or authority to assign, hypothecate, pledge or otherwise dispose of any Assets, except as provided herein or pursuant to such directions.

**4. Powers of Bank.** In the performance of its duties under this Agreement, Bank shall have the following powers:

4.1 Sign Documents. To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any or all other instruments that may be necessary or appropriate to the proper discharge of its duties under this Agreement.

4.2 Maintain Assets at a Depository or with a Sub-custodian. To maintain Assets at any registered clearing agency (such as the Depository Trust Company) or any Federal Reserve Bank (each, a “Depository”) or with any sub-custodian; to permit such Assets to be registered in the name of Bank, Bank’s nominee, the Depository, the Depository’s nominee, the sub-custodian, or the sub-custodian’s nominee; and, in connection with transactions involving foreign securities, to employ securities depositories, clearing agencies, clearance systems, sub-custodians, or agents located outside the United States.

4.3 Hire Service Providers. To hire service providers (including, but not limited to, attorneys, depositories, and sub-custodians) to assist Bank in exercising Bank’s powers under this Agreement, including any service provider that is affiliated with Bank.

4.4 Do Other Things. To perform other acts necessary to the proper discharge of its duties under this Agreement.

4.5 Hold Assets Un-invested. To hold Assets un-invested pending cash investment, distribution, resolution of a dispute, or for other operational reasons and to deposit the same in an interest-bearing or noninterest-bearing deposit account of Bank, notwithstanding Bank’s receipt of “float” income from such un-invested cash.

4.6 Litigate. As directed by Customer, to bring, defend, or settle lawsuits involving the Account or the Assets at the sole expense of the Account.

4.7 Retain Disputed Funds. To withhold delivery or distribution of Assets that are the subject of a dispute pending final adjudication of the dispute by a court of competent jurisdiction.

4.8 Distribute Assets. To distribute Assets as set forth herein.

4.9 Safe-keep Assets. To safe-keep Assets as set forth herein.

4.10 Register Assets. To register any Asset in the name of Bank or Bank's nominee or to hold any Asset in unregistered or bearer form or in such form as will pass title by delivery, provided that Bank's records at all times show that all such assets are part of the Account. In consideration of Bank's registration of any securities or other property in the name of Bank or its nominee or agent, Customer agrees to pay on demand to Bank or to Bank's nominee or agent the amount of any loss or liability, claimed or asserted against Bank or Bank's nominee or agent by reason of such registration.

4.11 Collect Income. To collect all income, principal, and other distributions due and payable on Assets. If an Asset is in default, or if payment is refused after due demand, and Bank receives notice of such default or refusal from the Asset's issuer or transfer agent, then Bank shall so advise Customer.

4.12 Exchange Foreign Currency. To exchange foreign currency into and out of United States dollars through customary channels, including Bank's foreign exchange department.

4.13 Advance Funds or Securities. To advance funds or securities in furtherance of settling securities transactions and other financial-market transactions under this Agreement.

**5. Purchases.** Upon the receipt of directions from Customer, Bank shall settle Customer's purchases of securities on a contractual settlement basis. For the purposes of §9-206 of the Uniform Commercial Code, Customer acknowledges that its legal obligation to pay the purchase price to Bank for such purchases arises immediately at the time of the purchase. Customer hereby covenants and agrees that (i) it shall not instruct Bank to sell any Asset until such Asset has been fully paid for by Customer, and (ii) Customer shall not engage in any practice whereby Customer relies on the proceeds from the sale of an Asset to pay for the earlier purchase of the same Asset.

**6. Sales.** Upon receipt of directions from Customer, Bank will deliver Assets held by it as Bank under this Agreement and sold by or for Customer against payment to Bank of the amount specified in such directions in accordance with the then current securities industry practices and in form satisfactory to Bank. Customer acknowledges that the current securities industry practice for physical securities is for physical delivery of such securities against later payment on delivery date. Bank agrees to use commercially reasonable efforts to obtain payment therefor during the same business day, but Customer confirms its sole assumption of all risks of payment for such deliveries. Bank assumes no responsibility for the risks of collectability of checks received for the Account.

**7. Settlements.**

7.1 Bank shall provide Customer with settlement of all purchases and sales of Assets in accordance with Bank's instruction-deadline schedule provided that Bank has all the information necessary and the Account has all the Assets necessary to complete the transaction.

7.2 To avoid a deficiency in the Account, if the Account does not have sufficient funds to pay for an Asset, Customer covenants and agrees that (i) it shall not initiate any trade without sufficient Assets to settle such trade, and (ii) Customer shall not notify any third party that Bank will settle the purchase of an Asset. Customer covenants and agrees that it will not allow or direct anyone else to act contrary to (i) and (ii) above.

7.3 Bank shall not be liable or responsible for or on account of any act, omission, default, or insolvency of any broker, bank, trust company, person, or other agent designated by Customer to purchase or sell securities for the Account.

**8. Valuation; Client-Controlled Assets.**

8.1 Valuation. For purposes of reporting the value of an Asset on an Account statement:

8.1.1 Pricing, If Available. Bank will report a value that is (i) provided to Bank by a third-party pricing vendor or (ii) readily determinable on an established market, if such value is available to Bank when preparing the statement.

8.1.2 Pricing, If Unavailable. If such value is unavailable, Customer will, upon Bank's request, direct Bank as to the value; Bank will then report such value. Absent such a direction, Bank will report the most recent value that Bank received from the Asset's broker, fund accountant, general partner, issuer, investment manager, transfer agent, or other service provider (commonly known as a pass-through price).

8.1.2.1 To the extent the value of an Asset is so reported, Customer hereby represents and warrants as follows: (i) Customer has received, read, and understood any prospectus, summary description, declaration of trust, subscription agreement, offering memorandum, and fact sheet for the Asset; understands the Asset's fees and expenses, transfer and withdrawal limitations, type, category, issuer, objectives, principal strategies and risks, and current underlying investments; and understands the identity of the Asset's administrator, investment advisor, auditor, and other service providers (and any affiliations among them) and the services they provide, respectively, to the Asset. (ii) Such value reflects such disclosures, investment-related information, and service-provider information.

8.1.2.2 Customer covenants and agrees that it will under no circumstances provide Bank with a security issued by Customer or Customer's affiliates, or direct Bank to purchase a security issued by Customer or Customer's affiliates, unless the value of such security is readily determinable on an established market.

8.1.3 Limitations. Customer hereby acknowledges that the reported value:

8.1.3.1 Might be neither fair market value nor fair value (under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, or applicable law).

8.1.3.2 Is not a recommendation as to the advisability of buying, holding, or selling the Asset and not a substitute for investigating the Asset's value in connection with a decision to buy, hold, or sell (or for obtaining and ensuring the reliability of an independent third-party appraisal with respect to such a decision).

8.1.4. Pricing Sources; Methodology. Upon Customer's request, Bank will provide Customer with information about Bank's pricing sources and methodologies.

8.2 Client-Controlled Assets. Customer may direct Bank from time to time to include specific assets in the Account statements despite the fact that those assets are neither registered in the name of Bank or Bank's nominee nor maintained by Bank at a Depository or with a sub-custodian nor in the physical possession of Bank nor otherwise in a place or form in which Bank can manipulate, access, or control them. In such a case, Bank has the right to exclude such assets from the Account statements or to include them with a statement-notation about control. To the extent Bank includes them, Customer hereby acknowledges that:

8.2.1 Customer is responsible for reviewing (i) Account statements to ensure that they include notations about the control of each such asset and (ii) any third-party reports made accessible by Bank to ensure that they do not inaccurately identify the holder of any such assets;

8.2.2 Bank is not responsible for performing the duties set forth in this Agreement (other than statement-reporting duties, as limited herein) with respect to such assets. By way of example and not limitation, Bank is not responsible for receiving, safekeeping, valuing, transferring, or releasing such assets or for settling trades with respect to such assets.

8.2.3 When furnishing Account statements or making third-party reports accessible, Bank may rely on information provided by Customer or by Customer's agents, affiliates, or representatives with respect to such assets (including, but not limited to, information on the units, value, or marketability of such assets) without questioning the

information. To that end, Customer will cause each holder of such assets to provide Bank with a copy of such holder's periodic customer account statements with respect to such assets.

## **9. No Discretionary Authority.**

9.1 Customer and Bank acknowledge that, except to the extent the Assets are subject to a separate written investment management agreement signed by the parties, Bank is not a fiduciary with respect to any Asset or Customer. In addition, it is agreed that:

9.1.1 Bank shall have no duty to make any evaluation or to advise anyone of the prudence, suitability, or propriety of action or proposed action of Customer in any particular transaction involving an Asset or the suitability or propriety of retaining any particular investment as an Asset. Bank shall have no duty to review, question, approve, or make inquiries as to any investment directions received under this Agreement. Bank shall be under no duty to review the securities or other property held in the Account with respect to prudence or diversification.

9.1.2 Bank shall not be liable for any loss or diminution of Assets by reason of investment experience or for its actions taken in reliance upon a direction received under this Agreement.

9.1.3 Bank shall have no duty to monitor or otherwise investigate the actions or omissions of Customer or Customer's agents.

9.1.4 Bank shall have no responsibility for the accuracy of Asset valuations quoted by outside services or sources.

9.1.5 Bank shall only be responsible for the performance of such duties as are expressly set forth in this Agreement and no implied covenants, duties, responsibilities, representations, warranties, or obligations shall be read into this Agreement against Bank.

9.1.6 Bank shall have no duty to act as trustee of the Assets.

9.1.7 Bank shall have no duty to act as investment manager of the Assets, except to the extent the Assets are subject to Bank's discretion to manage under a separate written investment-management agreement (if any).

9.1.8 Bank shall have no duty to render investment advice with respect to the Assets.

9.1.9 Bank shall have no duty to determine, monitor, or collect any contributions to the Account or monitor compliance with any applicable funding requirements.

9.1.10 Bank shall have no duty to maintain or defend any legal proceeding in the absence of indemnification, to Bank's satisfaction, against all expenses and liabilities which it may sustain by reason thereof.

9.1.11 Bank shall have no duty to inspect or execute any contract, declaration of trust, lease, loan agreement, note, offering memorandum, subscription agreement, or other instrument which may establish rights to income, principal, or other distributions on an Asset.

9.1.12 Bank shall have no duty (i) to collect any income, principal, or other distribution due and payable on an Asset if the Asset is in default or if payment is refused after due demand or (ii) except as expressly provided herein, to notify Customer in the event of such default or refusal.

9.1.13 Bank shall have no responsibility for the risks, expenses or fluctuating exchange rates affecting collections or conversions related to foreign assets.

9.1.14 Bank shall have no duty to question whether any direction received under this Agreement is prudent or contrary to applicable law; to solicit directions; or to question whether any direction received under this Agreement by email, or entered into Customer's account in Bank's on-line portal, is unreliable or has been compromised, such as by identity theft.



9.1.15 Bank shall not be liable for a failure to take an action required under this Agreement in the event and to the extent that the taking of the action is prevented or delayed by war (whether declared or not and including existing wars), revolutions, insurrection, riot, civil commotion, acts of God, accident, fire, explosion, stoppage of labor, strikes or other differences with employees, laws, regulations, orders or other acts of any governmental authority or any other cause whatsoever beyond its reasonable control; nor shall any such failure or delay give Customer the right to terminate this Agreement.

**10. Corporate Actions; Mandatory Exchange Transactions.** Notwithstanding anything herein to the contrary, Bank will, without providing notice, cause Assets to participate in any mandatory exchange transaction that neither requires nor permits approval by the owner of the Assets (such as reorganization, recapitalization, redemption in kind, or consolidation) and will tender or exchange securities held for other securities, for other securities and cash, or for cash alone, pursuant to the terms of such transaction.

**11. Authorized Persons; Delivery of Directions.**

11.1 Authorized Persons.

11.1.1 Customer will identify:

11.1.1.1 Each employee of Customer who is authorized to act on Customer's behalf under this Agreement, by giving Bank (i) an authorized-persons certificate that names the employees who have such authority and provides their specimen signatures and email addresses and (ii) a secretary's certificate (or, if Customer is not a corporation, then a similar document from an officer exercising similar authority) with respect to such employees and the person who provides such authorized-persons certificate.

11.1.1.2 Each third-party agent that is authorized to act on Customer's behalf under this Agreement, by giving Bank an authorization letter setting forth the name of such agent; any limits on such agent's authority to act on Customer's behalf under this Agreement; and the names, specimen signatures, and email addresses of each employee of such agent who is authorized to act on such agent's behalf under this Agreement. Absent any such limits to the contrary, any such agent is authorized to exercise any right and fulfill any duty of Customer under this Agreement, including, but not limited to, any of Customer's authority under this Agreement to direct Bank. However, in no event is such agent authorized to withdraw Assets from the Account (unless (i) the recipient of the withdrawn Assets is Customer or a destination pre-approved by Customer, (ii) such agent has the authority to direct the purchase of Assets under this Agreement, directs a withdrawal, and indicates that the withdrawn Assets will be applied to purchase securities or other property for Customer, or (iii) Customer has provided affirmative written authorization to Bank to accept directions from such agent to withdraw Assets from the Account); to amend the Agreement; or to terminate the Agreement.

11.1.2 Bank may assume that any such employee or agent continues to be so authorized, until Bank receives notice to the contrary from Customer (or, with respect to any such employee of any such agent, from such agent).

11.1.3 Customer hereby represents and warrants that any such employee or agent was duly appointed and is appropriately monitored and covenants that Customer will furnish such employee or agent with a copy of this Agreement, as amended from time to time, and with a copy of any communications given under this Agreement to Customer. Customer hereby acknowledges that (i) such employee's or agent's actions or omissions are binding under this Agreement upon Customer as if Customer had taken such actions or made such omissions itself and (ii) Bank is indemnified, released, and held harmless under this Agreement accordingly.

11.2 Delivery of Directions.

11.2.1 Any direction, notice, or other communication provided for in this Agreement will be given in writing and (i) unless the recipient has timely delivered a superseding address under this Agreement, addressed as provided under this Agreement or (ii) entered into Customer's account in Bank's on-line portal.

11.2.2 Any direction received under this Agreement by email, or entered into Customer's account in Bank's on-line portal, is deemed to be given in a writing signed by the sender. Customer hereby represents and warrants that Customer maintains commercially reasonable security measures for preventing unauthorized access to its portal account and the email accounts of its employees, agents, and agents' employees, and Customer hereby assumes all risk to the Account of such unauthorized access. Customer hereby acknowledges that Customer is fully informed of the protections and risks associated with the various methods of transmitting directions to Bank and that there may be more secure methods of transmitting directions than the methods selected by Customer and Customer's agents.

## **12. Compensation and Reimbursement.**

12.1 Fees; Expenses. Customer shall pay Bank compensation for providing services under this Agreement. A schedule of that compensation is attached as **Exhibit A (Fee Schedule)** hereto. Customer shall also reimburse Bank for expenses, fees, costs, and other charges incurred by Bank in providing services under this Agreement (including, but not limited to, compensation, expenses, fees, costs, and other charges payable to service providers hired under this Agreement).

12.2 Advance of Funds or Securities; Outstanding Fees and Expenses. To the extent of (i) any advance of funds or securities under this Agreement; (ii) any outstanding compensation, expenses, fees, costs, or other charges incurred by Bank in providing services under this Agreement; or (iii) Customer's other indebtedness to Bank, Customer hereby grants Bank a first-priority lien and security interest in, and right of set-off against, the Assets. Bank may execute that lien and security interest, and exercise that right, at any time. Without limiting the generality of the foregoing, if Bank does not timely receive such compensation, expenses, fees, costs, or other charges, then Bank shall be entitled to deduct the same from the Assets. Furthermore, nothing in this Agreement shall constitute a waiver of any of Bank's rights as a securities intermediary under Uniform Commercial Code §9-206.

12.3 None of the provisions of this Agreement shall require Bank to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties under this Agreement, or in the exercise of any of its rights or powers under this Agreement, if Bank shall have reasonable grounds for believing that repayment of such funds, or indemnity satisfactory to Bank against such risk or liability, is not assured.

**13. Customer Responsibility.** Customer shall be responsible for the review of all reports, accountings and other statements provided by Bank, and shall within 90 days following receipt thereof notify Bank of any mistakes, defects or irregularities contained or identified therein, after which time all such matters shall be presumed to be ratified, approved and correct and shall not provide any basis for claim or liability against Bank.

## **14. Damages.**

14.1 Damages. Bank is not liable for any indirect, incidental, special, punitive, or consequential damages arising out of or in any way related to this Agreement or Bank's provision of services under this Agreement. This limitation applies even if Bank has been advised of, or is aware of, the possibility of such damages.

## **15. Termination.**

15.1 This Agreement shall remain in effect until terminated by either party giving written notice of such to the other party 30 days in advance of the termination date.

15.2 Upon termination of this Agreement, Bank shall follow directions from Customer concerning the transfer of Assets, provided that:

15.2.1 Bank shall have no liability for the costs of shipping and insurance associated therewith; and

15.2.2 Bank shall not be required to make any transfer until Bank has received payment or reimbursement for all (a) compensation, expenses, fees, costs, or other charges incurred by Bank in providing services under this Agreement, including any special termination costs, and (b) funds or securities advanced under this Agreement; and

15.2.3 If any Assets remain in the Account after termination, Bank shall require further transfer directions regarding delivery of Assets to Customer or a successor custodian. If a successor custodian is not appointed by Customer within 30 days after termination, Customer acknowledges and agrees that Bank may petition a court of competent jurisdiction regarding such appointment and charge the Account for fees and expenses involved therein.

15.3 Upon termination of this Agreement, all obligations of the parties to each other under this Agreement shall cease, except that all indemnification provisions herein shall survive with respect to any Harm arising from events prior to, or in connection with, such termination.

**16. Binding Obligations.** Customer and Bank each hereby represent and warrant that this Agreement constitutes its legal, valid and binding obligation enforceable in accordance with the terms hereof; subject, as to enforcement of remedies, to applicable bankruptcy and insolvency laws, and to general principles of equity.

**17. General Provisions.**

17.1. Tax Duties. Bank has no duty to calculate, withhold, disclose, report, or remit to the appropriate taxing authorities or anyone else any federal, state, or local taxes that may be required to be calculated, withheld, disclosed, reported, or remitted with respect to the Assets or the Account, except to the extent such duties are required by law to be performed only by a custodian.

17.2. Tax Lot Methods. [Reserved: Not applicable to a governmental entity.]

17.3 Publicity. Neither party will (a) use the other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify the other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of the other party.

17.4 Complete Agreement; Amendment.

17.4.1 Complete Agreement. This Agreement contains a complete statement of all the arrangements between the parties with respect to its subject matter and supersedes any existing agreements between them concerning the subject.

17.4.2 Amendment. This Agreement may be amended at any time, in whole or in part, by a written instrument signed by Customer and Bank. Notwithstanding the foregoing, if the terms of **Exhibit A (Fee Schedule)** hereto set forth a method for amending such exhibit, then such terms alone govern amendments thereto.

17.5 Governing Law; Venue. This Agreement shall be subject to, governed by, and construed in accordance with the laws of the State of South Dakota (the "Jurisdiction") applicable to agreements made and to be performed in the Jurisdiction, without regard to the Jurisdiction's conflict of laws rules. All legal actions or other proceedings directly or indirectly relating to this Agreement shall be brought in federal court (when available, or state court when federal court is not available) sitting in the Jurisdiction. By execution of this Agreement, the parties submit to the courts of the Jurisdiction. To the extent that Bank or Customer may be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (whether before or after judgment) or other legal process, each hereby irrevocably agrees not to claim, and hereby waives, such immunity.

17.6 Successors and Assigns.

17.6.1. This Agreement binds, and inures to the benefit of, Customer, Bank, and their respective successors and assigns.

17.6.2. No party may assign any of its rights under this Agreement without the consent of the others, which consent shall not be unreasonably withheld. Customer hereby acknowledges that Bank will withhold consent unless and until Bank verifies an assignee's identity according to Bank's Customer Identification Program and, to that end, Customer hereby agrees to notify Bank of such assignment and provide Bank with the assignee's name, physical address, EIN, organizational documents, certificate of good standing, and license to do business, as well as other

information that Bank may request. No consent is required if a party merges with, consolidates with, or sells substantially all of its assets to another entity, provided that such other entity assumes without delay, qualification, or limitation all obligations of that party under this Agreement by operation of law or by contract.

17.7 Separability. If any provision of this Agreement is invalid or unenforceable, the balance of the Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstances, it shall nevertheless remain applicable to all other persons and circumstances.

17.8 No Third Party Rights. In performing its services under this Agreement, Bank is acting solely on behalf of Customer. No agency, contractual or service relationship shall be deemed to be established hereby between Bank and any other person or entity.

17.9 Legal Advice. Customer hereby acknowledges that it (i) did not receive legal advice from Bank concerning this Agreement, (ii) had an adequate opportunity to consult a licensed attorney of its choice before executing this Agreement, and (iii) executed this Agreement upon its own judgment and, if sought, the advice of such attorney.

17.10 Counterparts and Duplicates. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument. This Agreement and any administrative form under the Agreement may be proved either by a signed original or by a reproduced copy thereof (including, not by way of limitation, a microfiche copy or an electronic file copy).

17.11 Legal Actions Affecting Account. If Bank is served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant or similar order relating to the Account, (a "Legal Action") Bank will comply with that Legal Action and shall be protected, indemnified, and held harmless therefrom. Customer will reimburse Bank for all fees and expenses Bank incurs in responding to any Legal Action affecting the Assets or the Account (including but not limited to the fees of attorneys and other professionals).

17.12 Abandoned Property. Any Assets remaining unclaimed or abandoned by Customer for a period of time as is set forth in the applicable state's abandoned property, escheat, or similar law shall be delivered to the proper public official pursuant to law and Bank shall be held harmless therefrom. The provisions of this Section shall survive the termination of the Agreement.

17.13 Freedom to Deal with Third Parties. Bank is free to render services to others, whether similar to those services rendered under this Agreement or of a different nature.

17.14 Shareholder Communications Act Election. Under the Shareholder Communications Act of 1985, as amended, Bank must try to permit direct communications between a company that issues a security held in the Account (the "Securities-Issuer") and any person who has or shares the power to vote, or the power to direct the voting of, that security (the "Voter"). Unless the Voter registers its objection with Bank, Bank must disclose the Voter's name, address, and securities positions held in the Account to the Securities-Issuer upon the Securities-Issuer's request ("Disclosure"). To the extent that Customer is the Voter, Customer hereby (i) acknowledges that failing to check one and only one box below will cause Customer to be deemed to have consented to Disclosure and (ii) registers its (*check only one*):

- Consent to Disclosure.
- Objection to Disclosure.

## **18. Automated Cash Management and Sweep Direction.**

18.1 To the extent Bank has received no investment direction as to cash Assets held in the Account, Bank will use such Assets to purchase a position in the sweep vehicle identified in an **exhibit** hereto or, if none is identified, will hold such Assets un-invested.

## **19. Representations and Warranties.**

19.1 Plan Assets. Customer represents and warrants that none of the Assets is an asset of any (i) "plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"); (ii) "plan" as

defined in the Internal Revenue Code of 1986, as amended, (the “Code”) Section 4975(e)(1); (iii) entity whose underlying assets include assets of any such “plan” by reason of any such plan’s investment in such entity; or (iv) plan or entity not otherwise within this definition that is subject to similar restrictions under federal, state, or local law.

19.2 Certain Securities Exchange Act and Commodity Exchange Act Rules. Customer represents and warrants that none of the Assets is subject to (i) SEC Rule 15c3-3; (ii) CFTC Rules 1.20, 22.5, or 30.7; or (iii) any similar rule or regulation.

19.3 Customer. Customer represents and warrants that Customer (i) is neither an “investment company” that is subject to registration with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940, as amended, (the “40 Act”), insurer, nor reinsurer; (ii) has no duty to engage a trustee for the Assets; (iii) holds good and valid legal title to all Assets; (iv) has the power and requisite authority to execute and deliver this Agreement; and (v) is duly authorized to, and has taken all action necessary to authorize it to, execute and deliver this Agreement.

19.4 Bank. Bank represents and warrants that it (i) is a national banking association; (ii) is duly organized, validly existing and in good standing under the laws of the United States; (iii) has the power and authority to transact the business in which it is engaged; (iv) has the power and requisite authority to execute, deliver and perform this Agreement; and (v) is duly authorized to, and has taken all action necessary to authorize it to, execute, deliver and perform this Agreement.

19.5 *The following provisions apply if and only if Customer is a pooled investment vehicle.* Pooled Investment Vehicle.

19.5.1 Authority to Act for Investors. Customer represents and warrants that each investor in Customer (each, an “Investor”) has appointed Customer as Investor’s agent with sole authority to enter into this Agreement and sole authority to exercise any powers and fulfill any duties under this Agreement that may otherwise be directly or indirectly allocable to Investor, including, but not limited to, directing Bank, receiving disclosure and statements with respect to the Account and Sub-Accounts, authorizing fees paid with respect to the Account and Sub-Accounts, and indemnifying an Indemnified Person. Customer acknowledges that (i) Bank is not a party to any subscription agreement, offering memorandum, or other agreement between Customer and any Investor (any of the foregoing, as amended from time to time, the “Fund Documentation”); (ii) Bank has no agency, contractual, or service relationship with any Investor pursuant to the Fund Documentation or under this Agreement; (iii) Bank will not furnish any Investor with any Account statement; (iv) Bank holds the Assets on an omnibus basis; and (v) Account and Sub-Account records indicate that the owner of the Assets is only Customer (and not any Investor or Investors). Customer covenants not to state anything inconsistent with the foregoing acknowledgments and covenants not to direct Bank to furnish any Investor with any Account statement.

19.5.2 Independent Fund Administration. Customer represents and warrants that (i) Customer has an independent third-party administrator; and (ii) such administrator (x) conducts comprehensive fund-administration services for Customer, including performing net asset value calculations, fund accounting, trade reconciliation, and processing and recording shareholder activity; (y) prepares periodic transparency reports which include information about Customer’s net asset value, the percentage of Customer’s investments that are confirmed by the third-party administrator with independent custodians, Customer’s custodians holding Customer’s investments, Customer’s percentage of investments that are priced by a third-party administrator, and Customer’s assets and liabilities measured at “fair value” and categorized using the fair-value hierarchy (Level 1, 2, or 3) established under FASB ASC 820, *Fair Value Measurements and Disclosures*; and (z) provides such transparency reports directly to each Investor.

19.5.3 Independent Investment Advice. Customer represents and warrants that (i) Customer has an independent investment advisor; and (ii) such advisor is registered as an investment advisor with the United States Securities and Exchange Commission. Customer covenants not to hire Bank or any Bank affiliate to serve as an investment manager or investment advisor to Customer.

19.5.4 Independent Audit. Customer represents and warrants that (i) Customer annually engages, on behalf of all Investors, an independent certified public accountant to conduct an examination of Customer in accordance with generally accepted auditing standards and (ii) such accountant provides a copy of its resulting report directly to Customer’s independent third-party administrator.

19.5.5 Securities-Law Status. Customer represents and warrants that (i) Customer is a pooled investment vehicle; (ii) Customer is exempt from, or not subject to, the '40 Act pursuant to Section(s) \_\_\_\_\_ (legal citation) of the '40 Act, without reference to or reliance upon '40 Act Sections 3(c)(3) or 3(c)(11); (iii) any interest in Customer is exempt from, or not subject to, the Securities Act of 1933, as amended, ("'33 Act") pursuant to Section(s) \_\_\_\_\_ (legal citation) of the '33 Act, without reference to or reliance upon '33 Act Section 3(a)(2)'s references to "common trust fund or similar fund" or "collective trust fund"; and (iv) Customer is not a collective investment fund authorized under 12 CFR 9.18.

19.5.6 Tax Status. Customer represents and warrants that, for federal income-tax purposes, Customer is a governmental entity not subject to federal income taxation.

19.5.7. ERISA Status. Customer represents and warrants that (i) Customer is not an investment contract, product, or entity that holds plan assets (as determined pursuant to ERISA Sections 3(42) and 401 and 29 CFR 2510.3-101) (a "Plan-Assets Vehicle") and (ii) the Fund Documentation precludes Customer from becoming a Plan-Assets Vehicle.

19.6 *The following provisions apply if and only if Customer is a trustee or custodian of some or all of the Assets.* Trustee or Custodian. Customer represents and warrants that (i) Customer is a bank or trust company organized under the laws of the United States or any state thereof, (ii) Customer is the sole trustee or custodian of some or all of the Assets pursuant to separate written trust agreements or custody agreements, respectively, and (iii) such agreements authorize Customer to appoint a custodian. Customer acknowledges that (u) Bank is not a party to any such agreement; (v) Bank has no agency, contractual, or service relationship with any beneficiary or beneficial owner pursuant thereto or under this Agreement; (w) Bank will not furnish any such beneficiary or beneficial owner with any Account statement; (x) Bank holds the Assets on an omnibus basis; (y) Account and Sub-Account records indicate that the owner of the Assets is only Customer (and not any such beneficiary or beneficial owner); and (z) Bank's provision of services under this Agreement does not cause any such beneficiary or beneficial owner that is Customer's "consumer" to be Bank's "consumer", even if Customer from time to time gives Bank "nonpublic personal information" about Customer's "consumer" as needed to settle securities transactions and other financial-market transactions under this Agreement, as such terms are defined in 15 U.S. Code Subchapter I—Disclosure of Nonpublic Personal Information or 12 CFR Part 1016—Privacy of Consumer Financial Information. Customer covenants not to state anything inconsistent with the foregoing acknowledgments and covenants not to direct Bank to furnish any such beneficiary or beneficial owner with any Account statement.

**20. Headings for Convenience Only.** The section headings and subheadings within this Agreement are for convenience-of-reference only, and do not define, limit, or describe the scope or intent of any provision of this Agreement.

**21. Waiver of Jury Trial.** Each party hereby irrevocably waives all right to a trial by jury in any action, proceeding, claim, or counterclaim (whether based on contract, tort, or otherwise) directly or indirectly arising out of or relating to this Agreement.

**22. Effective Date.** This Agreement will become effective when all parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature).

*[signature page follows]*

IN WITNESS WHEREOF, an authorized officer of each party hereby executes this Agreement on the date stated beneath that party's signature.

**CUSTOMER**

SOUTH DAKOTA CONSERVANCY DISTRICT,  
as Issuer

By: \_\_\_\_\_  
Its Chairman

Dated: \_\_\_\_\_

U.S. Mail Address:  
South Dakota Conservancy District  
c/o South Dakota Department of Environment and  
Natural Resources – SRF Program  
Joe Foss Building  
523 East Capitol Avenue  
Pierre, south Dakota 57501  
Attention: SRF Section

Email Address: \_\_\_\_\_

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_

Its: Assistant Vice President and Relationship Manager

Dated: \_\_\_\_\_

U.S. Mail Address:  
U.S. Bank National Association  
Global Corporate Trust Services  
Attn: Greg E. Skutnik, Assistant Vice President and Relationship Manager  
1420 Fifth Avenue, 7<sup>th</sup> Floor  
Seattle, WA 98101

Email Address: \_\_\_\_\_

**CUSTODY AGREEMENT**

**Exhibit A**

**Fee Schedule**

**DRAFT**



This **FILING AGENT AGREEMENT** (this “Agreement”) is entered into as of April 1, 2017, by and between South Dakota Conservancy District, (the “Issuer”) and U.S. Bank National Association (the “Bank”), as Filing Agent.

## RECITALS

**WHEREAS**, the Issuer has duly authorized, sold and provided for the issuance of various series of bonds (collectively, as outstanding from time to time, the “Program Bonds”) pursuant to that certain Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010, as amended by the First Amendment to Fifth Amended and Restated Master Trust Indenture dated February 17, 2015, between the Issuer and the Prior Trustee (as heretofore amended and supplemented, the “Master Indenture), various Series Resolutions and related Bond Orders (each as defined in the Master Indenture; the Master Indenture, Series Resolutions and Bond Orders, as hereafter amended, restated or supplemented, being collectively referred to as the “Indenture”);

**WHEREAS**, one series of the Issuer’s Program Bonds entitled “South Dakota Conservancy District Revolving Fund Program, Taxable Revenue Bonds Series 2010A (Build America Bonds) issued in the initial principal amount of \$38,695,000 (the “Bonds”) are eligible for a federal subsidy payment equal to 35% of the amount of each interest payment on the Bonds (the “Direct Payment”) pursuant to the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”);

**WHEREAS**, the Issuer and the Bank wish to provide the terms under which the Bank will act as Filing Agent for the purpose of requisitioning from the United States Treasury, Internal Revenue Service (“IRS”), on a semiannual basis, the federal subsidy payment equal to 35% of the amount of each interest payment on the Bonds (the “Direct Payment”) pursuant to the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”);

**WHEREAS**, the Bank has agreed to serve in such capacity for and on behalf of the Issuer in addition to its service, under the Indenture as Trustee for the Program Bonds; and

**WHEREAS**, the Issuer has duly authorized the execution and delivery of this Agreement, and all things necessary to make this Agreement a valid agreement have been done.

**NOW, THEREFORE**, it is mutually agreed as follows:

## ARTICLE ONE

### DEFINITIONS

#### Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

“Bank” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America.

“Direct Payment” has the meaning set out in the Recitals.

“Interest Payment Date” means, with respect to the Bonds, each February 1 and August 1, commencing August 1, 2017, through August 1, 2030.

“IRS” has the meaning set out in the Recitals.

“Issuer” means the South Dakota Conservancy District.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Recovery Act” has the meaning set out in the Recitals.

## **ARTICLE TWO**

### **APPOINTMENT OF BANK AS FILING AGENT**

#### Section 2.01. Appointment and Acceptance.

The Issuer hereby appoints the Bank to act as Filing Agent with respect to the Bonds for the specific purpose of requisitioning from the IRS on a semiannual basis the Direct Payment pursuant to the Recovery Act, as more specifically described in Article Three.

The Bank hereby accepts its appointment and agrees to act as Filing Agent.

#### Section 2.02. Compensation.

As compensation for the Bank’s services as Filing Agent, the Issuer hereby agrees to pay the Bank the fee set forth on the fee schedule attached hereto as Exhibit A and made a part of this Agreement (“Fee Schedule”).

In addition, the Issuer agrees to reimburse the Bank, immediately upon its request, for all reasonable and necessary out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, made or incurred by the Bank in connection with performing under this Agreement and in connection with investigating and defending itself against any claim or liability in connection with its performance hereunder.

## **ARTICLE THREE**

### **DUTIES**

Section 3.01. Duties of Filing Agent.

As Filing Agent, the Bank agrees to and shall, between the 45<sup>th</sup> and 90<sup>th</sup> days prior to each Interest Payment Date, file with the IRS a completed and executed Form 8038-CP requesting the Direct Payment with respect to the Bonds. After preparing the Form 8038-CP and prior to filing with the IRS, the Bank will submit the Form 8038-CP to the Issuer for review and signature. A blank Form 8038-CP together with the Instructions for Form 8038-CP are attached hereto as Exhibit B and are made a part of this Agreement.

Section 3.02. Duties of Issuer.

The Issuer agrees to cooperate with the Filing Agent, upon its request, in the completion and execution of each Form 8038-CP so filed with the IRS, including without limitation furnishing to the Filing Agent a complete debt service schedule that provides a list of each Interest Payment Date, the total interest payable on such date, the total principal amount of Bonds expected to be outstanding on such date, the Direct Payment expected to be required from the Internal Revenue Service on such date, and the earliest date that Bonds can be called.

**ARTICLE FOUR**

**THE ISSUER**

Section 4.01. Issuer Agreements.

The Issuer represents and covenants that it has heretofore filed with the IRS, and provided a copy to the Filing Agent a completed and executed Form 8038-B, or applicable IRS form, with an attached complete debt service schedule, titled "Fixed Rate Bond – Debt Service Schedule," that provides the information described in the debt service schedule provided for in Section 3.02 above. Further, the Issuer hereby agrees that:

(a) On each Interest Payment Date, the Issuer will cause 100% of the interest and/or principal payment then due on the Bonds out of available revenues under the Indenture to be paid to the Trustee with respect to the Bonds; and the parties understand and agree the Direct Payment requisitioned by the Filing Agent with respect to such Interest Payment Date will be paid by the IRS directly to the Issuer in partial reimbursement to the Issuer for payment of interest on the Bonds on such date; and

(b) It will review each Form 8038-CP prior to submission to the IRS by the Filing Agent and will cause it to be signed by an authorized official of the Issuer. The signature of the authorized official of the Issuer shall serve as confirmation to the Filing Agent that the Issuer has reviewed the 8038-CP and confirms that the information contained thereon is complete and accurate.

## ARTICLE FIVE

### THE BANK

#### Section 5.01. Agreements of Bank.

The Bank undertakes to perform the duties set forth herein. No implied duties or obligations shall be read into this Agreement against the Bank.

#### Section 5.02. Reliance on Documents, etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable for other than its gross negligence or willful misconduct in connection with any act or omission hereunder and in no event shall the Bank's liability exceed an amount equal to the Fees paid to the Bank in accordance with the Fee schedule.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(d) The Bank may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(e) The Bank may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with reasonable care.

(g) The Bank shall not be liable for the failure of the IRS to make timely Direct Payment to the Issuer.

#### Section 5.03. Other Transactions.

The Bank may engage in or be interested in any financial or other transaction with the Issuer.

Section 5.04. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The Issuer and the Bank further agree that the Bank has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

**ARTICLE SIX**

**MISCELLANEOUS PROVISIONS**

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment

This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed, faxed, sent pdf or delivered to the Issuer or the Bank, respectively, at the address shown below, or such other address as may have been given by one party to the other by fifteen (15) days written notice:

If to the Issuer: South Dakota Conservancy District  
c/o South Dakota Department of Environment and  
Natural Resources – SRF Program  
Joe Foss Building  
523 East Capitol Avenue  
Pierre, south Dakota 57501  
Attention: SRF Section  
Telephone (605) 773-5559  
Fax: (605) 773-6035

If to the Bank: U.S. Bank National Association  
Attn: Greg E. Skutnik, Assistant Vice President  
Global Corporate Trust Services  
1420 Fifth Avenue, 7<sup>th</sup> Floor  
Seattle, WA 98101

Telephone: (206) 344-4607  
Facsimile: (206) 344-4630

With copy to: U.S. Bank National Association  
Attn: Jeff Backstrom, Assistant Vice President  
Global Corporate Trust Services  
60 Livingston Avenue  
St. Paul, MN 55107  
Telephone: (651) 466-6167  
Facsimile: (651) 466-7419

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 6.06. Severability.

If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement shall constitute the entire agreement between the parties hereto relative to the Bank acting as Filing Agent.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Term and Termination.

This Agreement shall be effective from and after its date and until either the Bank resigns or the Issuer terminates the agreement in either case as set forth below.

The Bank may resign at any time by giving written notice thereof to the Issuer. If the Bank shall resign, or become incapable of acting, the Issuer shall promptly appoint a successor Filing Agent. If an instrument of acceptance by a successor Filing Agent shall not have been delivered to the Bank within thirty (30) days after the Bank gives notice of resignation, the Issuer shall automatically become the Filing Agent for itself. The provisions of Section 2.02 and Section 5.05 hereof shall survive and remain in full force and effect following the termination of this Agreement. The Issuer may at any time terminate the Agreement with or without cause upon 30 days written notice to the Filing Agent, after which termination the Issuer shall automatically become its own Filing Agent.

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and shall be governed by the laws of South Dakota.

Section 6.12. Patriot Act Compliance.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification, and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, the Issuer and the Bank have caused this Agreement to be executed in their respective names by their duly authorized representatives, in two counterparts, each of which shall be deemed an original.

SOUTH DAKOTA CONSERVANCY DISTRICT,  
Issuer

By: \_\_\_\_\_  
Its: Chairman

|

U.S. BANK NATIONAL ASSOCIATION, as  
Filing Agent

By \_\_\_\_\_  
[Authorized Representative]

Draft



|

**Exhibit A**

**Filing Agent Fee Schedule**

(attached hereto and made a part hereof)

Draft

|

**Exhibit B**

**IRS Form 8038-CP and Instructions**

(attached hereto and made a part hereof)

Draft

March 30, 2017

Item 6

TITLE: Amendment to State Water Plan, 2017 Clean Water State Revolving Fund Intended Use Plan, and 2017 Drinking Water State Revolving Fund Intended Use Plan

EXPLANATION: Water projects which will require state funding or need state support for categorical grant or loan funding need to be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendments of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed onto the plan at this meeting will remain on the facilities plan through December 2018.

Projects seeking a Clean Water or Drinking Water State Revolving Fund loan must be included on the project priority list of the Intended Use Plan. The State Water Plan applications are used to determine which projects should be amended onto the State Revolving Fund Project Priority Lists.

The following is the list of State Water Plan applications received by the February 1, 2017 deadline.

- a. Chamberlain
- b. Garretson
- c. Hartford
- d. Lake Byron Sanitary District
- e. Lake Norden
- f. Lennox – Main Street Extension
- g. Lennox – Central Basin Phase 2
- h. Lennox – Central Basin Phase 3
- i. Newell
- j. Parker
- k. Randall Community Water District
- l. Sioux Falls – Energy Recovery
- m. Sioux Falls – Equalization Basin Expansion
- n. Sioux Falls – Main Pump Station Replacement
- o. Sioux Falls – Regional Stormwater Improvements
- p. Tabor
- q. Tyndall
- r. Volga

March 30, 2017

Item 6

Staff is recommending that the following projects be amended onto the 2017 Clean Water State Revolving Fund Project Priority List:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
21	Volga	\$7,766,000	2.25%, 20 years
20	Sioux Falls – EQ Basin	\$4,988,420	1.00%, 10 years
20	Sioux Falls – Main Pump	\$25,646,324	1.00%, 10 years
13	Lake Norden	\$1,541,000	2.50%, 30 years
12	Lake Bryon Sanitary District	\$3,770,504	2.50%, 30 years
12	Sioux Falls – Energy Recovery	\$4,929,560	1.00%, 10 years
12	Sioux Falls - Stormwater	\$5,514,112	1.00%, 10 years
11	Miller	\$3,875,000	2.50%, 30 years
9	Garretson	\$1,160,305	2.50%, 30 years
9	Lennox – Central Basin Ph. 2	\$2,164,768	2.50%, 30 years
9	Lennox – Central Basin Ph. 3	\$1,563,126	2.50%, 30 years
9	Parker	\$717,564	2.50%, 30 years
9	Tabor	\$4,069,371	2.50%, 30 years
9	Tyndall	\$365,300	2.50%, 30 years
8	Hartford	\$3,908,723	2.50%, 30 years
8	Chamberlain	\$250,000	2.00%, 10 years
7	Lennox – Main Street	\$727,164	2.50%, 30 years

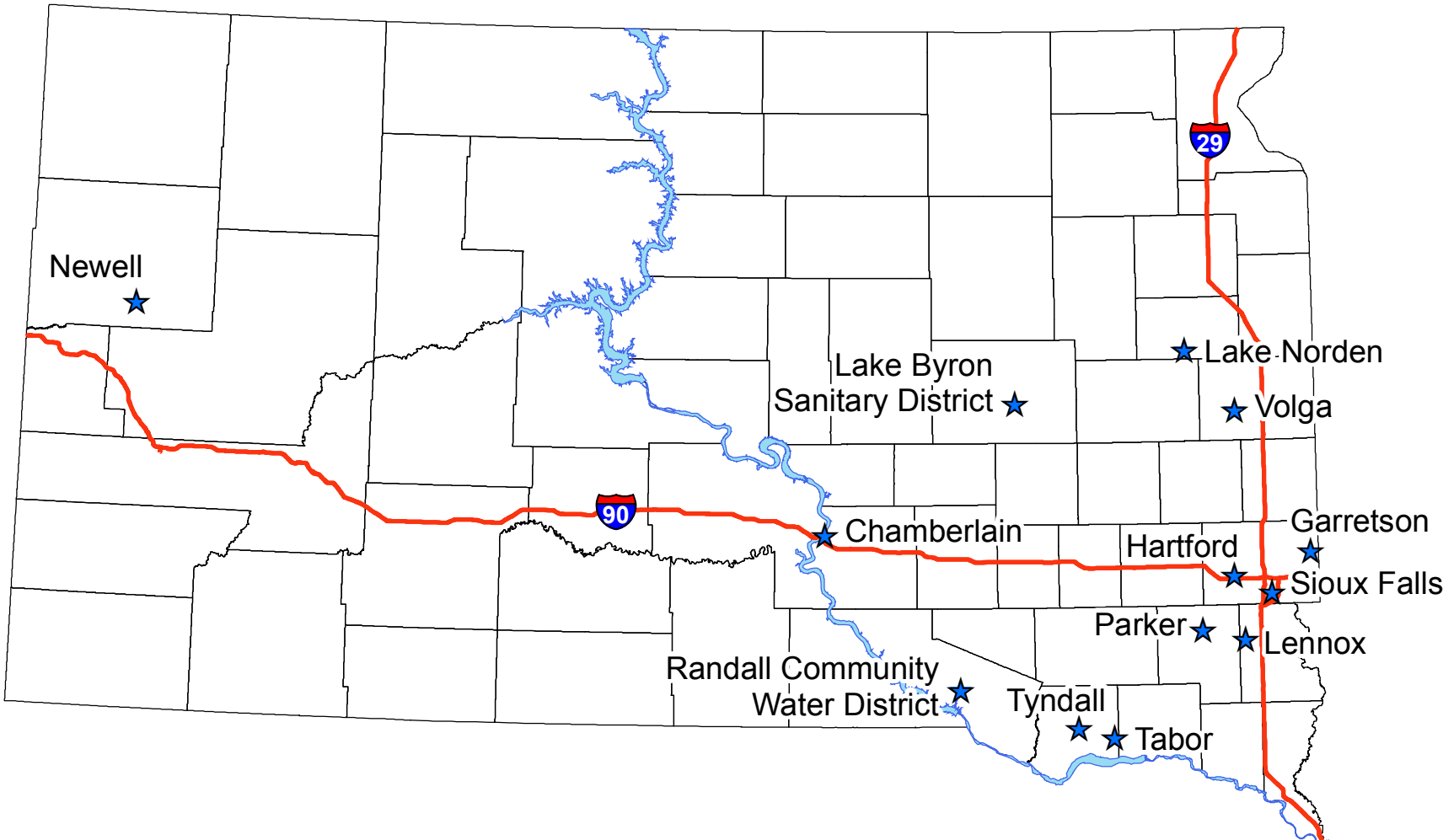
Additionally staff is recommending that the following projects be amended onto the 2017 Drinking Water State Revolving Fund Project Priority List:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
84	Newell	\$314,924	2.00%, 30 years
24	Onida	\$950,000	2.25%, 20 years
15	Chamberlain	\$250,000	2.00%, 10 years
10	Garretson	\$1,279,114	2.50%, 30 years
10	Lennox – Central Basin Ph. 2	\$468,061	2.25%, 30 years
10	Lennox – Central Basin Ph. 3	\$434,569	2.25%, 30 years
10	Parker	\$687,909	2.25%, 30 years
8	Randall CWD	\$7,000,000	2.25%, 30 years

**RECOMMENDED ACTION:** Approve amendment of projects onto the State Water Plan, 2017 Clean Water State Revolving Fund Intended Use Plan, and 2017 Drinking Water State Revolving Fund Intended Use Plans

**CONTACT:** Andy Bruels, 773-4216

# State Water Plan Applications March 2017



## State Water Plan Application

Applicant: City of Chamberlain  Address: 715 N. Main Chamberlain, SD 57325  Phone Number: (605) 234-4401	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right;">\$250,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">\$50,000</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$300,000</b></td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$250,000	Local Cash	\$50,000	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$300,000</b>
Proposed Funding Package													
Projected State Funding	\$250,000												
Local Cash	\$50,000												
Other:	_____												
Other:	_____												
<b>TOTAL</b>	<b>\$300,000</b>												

Project Title: Water Meter Upgrade/Replacement

Description: (Include present monthly utility rate.)

The City of Chamberlain is planning to upgrade its water meters to be able to remotely read the meters from a central location. The City has approximately 1000 commercial and residential users.

Chamberlain has contracted with Northwest Energy for a number of years to read, bill, and collect its water and sewer. Northwest Energy is upgrading all of its electrical meters to a remote read system. If possible, Chamberlain would like to continue its arrangement with Northwest Energy by upgrading its meters to a system that is compatible with the Northwest Energy system.

Chamberlain's residential water rates are \$30.20 for 5000 gallons of water and \$31.70 for 5000 gallons of commercial water use. Sewer rates, while irrelevant to this application, are \$31.50 for residential and commercial use with a \$2/1000 gallon surcharge for commercial users on all water usage over 8000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Chad Mutziger, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)



Signature

1-17-17  
 Date

FEB 03 2017

**State Water Plan Application**Division of Financial  
& Technical Assistance

Applicant: City of Garretson	Proposed Funding Package
Address: 705 N. Main Ave PO Box 370 Garretson, SD 57030	Projected State Funding <u>3,163,628.70</u>
Phone Number: (605)-594-6721	Local Cash <u>\$20,500</u>
	Other: <u>0</u>
	Other: <u>0</u>
	TOTAL <u>\$20,500</u>

Project Title: Garretson 3rd St, Main Ave, &amp; Truck Route Water, Sewer, Street Project

Description: (Include present monthly utility rate.)

The Garretson 3rd St., Main Ave., and Truck Route Water, Sewer, and Street Project has become a priority to supply the residents and businesses in these areas with clean drinking water and eliminate sewer line failures. The areas of the water and sewer systems involved in this project are original. Many residents and businesses have been experiencing rusty water. Despite the increased hydrant flushing and installation of in-house water filters, the amount of rust in the system increases. Another issue that has surfaced is the low water pressure, which may be seen when hydrants are being flushed and is evident during normal usage in homes and businesses. Our priority is to keep our community healthy and safe. The streets will have to be torn up to install the new water mains. At the same time, it will be prudent for the City of Garretson to replace the clay sewer pipes which are deteriorating. There have been sewer incidents from the clay pipes giving way to the tree roots underground. The City of Garretson has been proactive with our current water and sewer rates which are currently \$36.25 per month for water and \$23.50 per month for sewer based on 5000 gallon usage. However, the City of Garretson is in need of financial assistance to complete this project.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Anna N. Uhl, Finance Officer  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

01/31/2017  
Date

## State Water Plan Application

Applicant: City of Hartford  Address: 125 North Main Avenue Hartford, South Dakota 57033  Phone Number: 605-528-6187	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$3,908,723</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$3,908,723</b></td> </tr> </table>	Projected State Funding	\$3,908,723	Local Cash	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$3,908,723</b>
Projected State Funding	\$3,908,723										
Local Cash	_____										
Other:	_____										
Other:	_____										
<b>TOTAL</b>	<b>\$3,908,723</b>										

**Project Title:** Mickelson Road Sanitary and Storm Sewer Project

**Description:** (Include present monthly utility rate.)

Hartford has experienced significant growth, particularly in the Mickelson Road area. Mickelson Road is an arterial road providing Hartford residents, businesses and visitors access to Highway 38 to the east. The Mickelson Road Sanitary and Storm Sewer Project includes major infrastructure improvements that include sanitary sewer and storm sewer upgrades. Drainage improvements are also incorporated into the project design.

This project has been broken into three phases which may be done together or separately. Phase One involves replacing sanitary and storm sewer along Mickelson Road between Patrick Avenue and 464th Avenue. Cost estimates for Phase One are \$758,183. Phase Two continues with sewer replacement along Mickelson Road between 464th Avenue to Highway 38. Estimates for Phase Two are \$2,260,153. The final phase of this project, Phase Three, connects storm drainage between Mickelson Road and Railroad Street at an estimated cost of \$890,386.

Hartford monthly residential sewer rates are \$41.90 per 5,000 gallons of water usage.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Jeremy Menning, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature \_\_\_\_\_ Date 2-24-17



## State Water Plan Application Form

<b>Applicant</b> Lake Byron Sanitary District  <b>Address:</b> 19434 West Lake Loop Huron, SD 57350  <b>Phone Number:</b> (605) 350-1500	<b>Proposed Funding Package</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Requested Funding</td> <td style="text-align: right;">\$3,770,504</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td>Other _____</td> <td>_____</td> </tr> <tr> <td><b>TOTAL</b></td> <td style="text-align: right;"><b>\$3,770,504</b></td> </tr> </table>	Requested Funding	\$3,770,504	Other _____	_____	Other _____	_____	Other _____	_____	<b>TOTAL</b>	<b>\$3,770,504</b>
Requested Funding	\$3,770,504										
Other _____	_____										
Other _____	_____										
Other _____	_____										
<b>TOTAL</b>	<b>\$3,770,504</b>										

**Project Title:** Wastewater Collection and Treatment System Construction

**Description:** (Include present monthly utility rate and whether a reserve fund has been established for the utility to benefit from the project.)

Lake Byron Sanitary District proposes to construct a controlled discharge stabilization pond and a septic tank effluent pumping system to serve the residents of Lake Byron. Currently, each property is served by individual sanitary sewer systems, primarily septic tanks and holding tanks. The Sanitary District suspects that some of these individual systems may be in disrepair and may be contributing to the degradation of the lake. Thus, the District is seeking to eliminate these individual systems and serving 176 connections of the entire lake with a collective wastewater system.

Because properties around Lake Byron are serviced by private, individual sanitary sewer systems, there currently there is no monthly utility rate. The proposed wastewater rate is \$30/ 5,000 gallons. In addition, the District will require a one-time property assessment fees and tap fees to further fund the project.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gayle Kludt, President  
 \_\_\_\_\_  
 Name and Title of Authorized Signatory (Typed)  
 Application Prepared By:

  
 \_\_\_\_\_  
 Signature Date

Ted Dickey, Program Coordinator (605) 626-2595  
 \_\_\_\_\_  
 Name and Title (Typed) Phone #

Northeast Council of Governments  
 \_\_\_\_\_  
 Representing

Terry Helms (605) 225-1212  
 \_\_\_\_\_  
 Name of Engineer/Architect Phone #

Helms and Associates  
 \_\_\_\_\_  
 Representing

# State Water Plan Application

Applicant: City of Lake Norden	Proposed Funding Package
Address: 508 Main Avenue Lake Norden, SD 57248	Projected State Funding <u>\$1,541,000</u>
Phone Number: (605) 785-3602	Local Cash _____
	Other: _____
	Other: _____
	TOTAL <u>\$1,541,000</u>

Project Title: Lake Norden Wastewater Lagoon Improvements

Description: (Include present monthly utility rate.)

Repairs to wastewater treatment lagoons including rebuilding and riprapping dike walls and replacing control structures in the City of Lake Norden, South Dakota at an estimated cost of \$1,541,000.

Present monthly utility rates: Davisco International - \$630/mo., Beverly Health Care - \$300/mo., Lake View Court - \$216/mo., Bullpen - \$35/mo., Country Store - \$35/mo. Non-metered units are billed as follows: single member household - \$12/mo., two member household - \$13/mo., three member household - \$14/mo., four (+) member household - \$15/mo. All other users are billed as follows: \$12/mo. plus \$1.00/thousand gallons after the first 2,000 gallons of water usage. The charge shall be based on the average usage during the months of December, January and February.

A reserve fund has been established for the wastewater utility.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Jason Aho, Mayor  
Name & Title of Authorized Signatory  
(Typed)



Signature

12/5/16  
Date

## State Water Plan Application

<b>Applicant:</b> City of Lennox  <b>Address:</b> PO Box 228 Lennox, South Dakota 57039  <b>Phone Number:</b> (605) 647-2286	<b>Proposed Funding Package</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Projected State Funding</td> <td style="width: 30%; text-align: right;">\$727,164</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$727,164</b></td> </tr> </table>	Projected State Funding	\$727,164	Local Cash	_____	Other: _____	_____	Other: _____	_____	<b>TOTAL</b>	<b>\$727,164</b>
Projected State Funding	\$727,164										
Local Cash	_____										
Other: _____	_____										
Other: _____	_____										
<b>TOTAL</b>	<b>\$727,164</b>										

**Project Title:** Main Street Extension

**Description:** (Include present monthly utility rate.)

The City of Lennox's Main Street Extension project generally includes improvements to municipal utilities and roadway surfacing along Main Street from Oriole Avenue extending south to the City limits. The purpose of the project is to improve City services and provide access to adjacent properties. Major infrastructure improvements include approximately 800 feet of sanitary sewer and 1,340 feet of water main upgrades, 1,340 feet of drainage improvements and constructing a new urban street with curb and gutter and asphalt. The project is tentatively planned for construction in 2018, pending available funding.

The current sewer rate for the City of Lennox is \$46.70 / 5,000 gallons, and no reserve fund has been established for this project.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Orville Wiebers, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)


2-27-16  
 Signature Date

### State Water Plan Application

Applicant: City of Lennox	Proposed Funding Package
Address: PO Box 228 Lennox, South Dakota 57039	Projected State Funding <u>\$2,632,828</u>
Phone Number: (605) 647-2286	Local Cash _____
	Other: _____
	Other: _____
	TOTAL <u>\$2,632,828</u>

Project Title: Central Basin Improvements Phase 2

Description: (Include present monthly utility rate.)

Phase 1 of the City of Lennox's Central Basin Improvements project was completed in 2016. Phases 2 and 3 are the next areas intended for improvement. The purpose of Phase 2 is to replace infrastructure that has aged and deteriorated. This area of the City was identified through smoke testing as a major contributor to Inflow and Infiltration into the sanitary sewer system. For Phase 2, the sanitary sewer lines are to be replaced with 2,740 feet of PVC pipe and five concrete manholes. The City's comprehensive drainage study identified areas of poor drainage within the project limits. 2,395 feet of new storm sewer system will be constructed. 1,350 feet of water mains will be replaced and extended to improve network loops and service to customers. Streets within the project limits will be upgraded to urban sections with curb and gutter and asphalt surfacing. Pending available funding, construction of Phase 2 is tentatively planned for 2018.

The current water rate for the City of Lennox is \$48.90 / 5,000 gallons. The current sewer rate for the City of Lennox is \$46.70 / 5,000 gallons, and no reserve fund has been established for this project.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Orville Wiebers, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

 3-27-14  
 \_\_\_\_\_  
 Signature Date

## State Water Plan Application

Applicant: City of Lennox  Address: PO Box 228 Lennox, South Dakota 57039  Phone Number: (605) 647-2286	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right;">\$1,997,694</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$1,997,694</b></td> </tr> </table>	Projected State Funding	\$1,997,694	Local Cash	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$1,997,694</b>
Projected State Funding	\$1,997,694										
Local Cash	_____										
Other:	_____										
Other:	_____										
<b>TOTAL</b>	<b>\$1,997,694</b>										

Project Title: Central Basin Improvements Phase 3

Description: (Include present monthly utility rate.)

Phase 1 of the City of Lennox's Central Basin Improvements project was completed in 2016. Phases 2 and 3 are the next areas intended for improvement. The purpose of Phase 3 is to replace infrastructure that has aged and deteriorated. This area of the City was identified through smoke testing as a major contributor to Inflow and Infiltration into the sanitary sewer system. For Phase 3, the sanitary sewer lines are to be replaced with 2,150 feet of PVC pipe and five concrete manholes. The City's comprehensive drainage study identified areas of poor drainage within the project limits. 1,850 feet of new storm sewer system will be constructed. 1,050 feet of water mains will be replaced and extended to improve network loops and service to customers. Streets within the project limits will be upgraded to urban sections with curb and gutter and asphalt surfacing. Pending available funding, construction of Phase 3 is tentatively planned for 2019.

The current water rate for the City of Lennox is \$48.90 / 5,000 gallons. The current sewer rate for the City of Lennox is \$46.70 / 5,000 gallons, and no reserve fund has been established for this project.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Orville Wiebers, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)


2-27-16  
 \_\_\_\_\_  
 Signature Date

## State Water Plan Application

<b>Applicant:</b> Town of Newell  <b>Address:</b> PO Box 405 Newell, SD 57760-0405  <b>Phone Number:</b> 605-456-2737	<b>Proposed Funding Package</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$314,924</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other: CDBG</td> <td style="text-align: right; border-bottom: 1px solid black;">\$314,923</td> </tr> <tr> <td>Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$629,847</b></td> </tr> </table>	Projected State Funding	\$314,924	Local Cash		Other: CDBG	\$314,923	Other:		<b>TOTAL</b>	<b>\$629,847</b>
Projected State Funding	\$314,924										
Local Cash											
Other: CDBG	\$314,923										
Other:											
<b>TOTAL</b>	<b>\$629,847</b>										

**Project Title:** Newell Water Main Replace Project: 3rd St, 4th St., Gerard & Harvard Ave's.

**Description:** (Include present monthly utility rate.)

The Newell municipal water system serves 326 city connections and has a distribution system composed of transite and plastic main. The current water rate is \$28.75/5,000 gallons. Most of the transite mains were installed in the 1960's-'70's, are undersized, have outlived a useful life, and are prone to catastrophic failure. The City has been replacing problem segments when possible but breaks with resulting service interruptions are still occurring. This, therefore has prompted the larger-scale main replacement project proposed in this application. The project will replace about 3,300 feet of transite pipe with new PVC pipe, hydrants, associated fittings and tie-ins. The street segments included in the project scope are: Gerard Ave. from 2nd St. to 4th St., 2nd St. tie-in both east and west of Gerard Ave., 3rd St. from Gerard west to Elmira Ave. tie-in, 3rd St. from Gerard east to Harvard St., Harvard St. north to 4th St., 4th St. from Gerard west to the alley tie-in, and from 4th St. north to 5th St. in the alley. The actual street segments included in the final project may differ slightly from the preceding depending upon changed conditions or budgetary factors. All water line replacement will occur within existing public street or alley right-of-way. (Also see attached engineering report for detailed project information.)

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Mike Keolker, Mayor

Name & Title of Authorized Signatory  
(Typed)

  
Signature

1/24/17  
Date

## State Water Plan Application

<b>Applicant:</b> City of Parker  <b>Address:</b> PO Box 265 Parker, South Dakota 57053  <b>Phone Number:</b> (605) 297-4453	<b>Proposed Funding Package</b>  <table style="width: 100%;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right;">\$1,405,472</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$1,405,472</b></td> </tr> </table>	Projected State Funding	\$1,405,472	Local Cash	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$1,405,472</b>
Projected State Funding	\$1,405,472										
Local Cash	_____										
Other:	_____										
Other:	_____										
<b>TOTAL</b>	<b>\$1,405,472</b>										

**Project Title:** Parker Utility Improvements Phase 5

**Description:** (Include present monthly utility rate.)

The City of Parker is continuing Phase 5 of the utility improvements along Sanborn Avenue. The City will replace the aging water main and sanitary sewer in Sanborn Street from the Courthouse to the west edge of the City. This will include 8-inch waterline along Sanborn Street from the Courthouse to Elm Avenue, 6-inch waterline along Sanborn Street from Elm Avenue to Oak Avenue, 6-inch waterline along Sanborn Street from Grace Avenue to the west edge of the City limits, sanitary sewer improvements along Sanborn Street from the Courthouse to Grave Avenue, and sanitary sewer improvements along Oak Avenue from Sanborn Street to South Street. The City will also be completing minor piping and valve modifications in the vicinity of the new water tower.

The current water rate for the City of Parker is \$55.80 / 5,000 gallons. The current sewer rate for the City of Parker is \$34.59 / 5,000 gallons, and no reserve fund has been established for this project.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ron Nelson, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

 02-01-17  
 \_\_\_\_\_  
 Signature Date

JAN 30 2017

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

### State Water Plan Application

Applicant: Randall Community Water District	Proposed Funding Package
Address: 445 Main St PO Box 37 Lake Andes, SD 57356	Projected State Funding <u>\$7,000,000</u>
Phone Number:	Local Cash _____
	Other: _____
	Other: _____
	TOTAL <u>\$7,000,000</u>

Project Title:  
Description: (Include present monthly utility rate.)

The project(s) consist of the following:  
A new 3,000,000 gallon ground storage reservoir and approximately 5,300 ft. of 24" distribution pipeline for the Phase II WTP located near Pickstown, SD.  
Approximately 8,300 ft. of 24" raw water pipeline and 23,600 ft. of 24" distribution pipeline for the Phase III WTP located near Platte, SD.

The current rates are:  
Rural Farm Users:                      Rural Pasture Taps:  
Monthly Minimum \$22.75              Monthly Minimum \$22.75  
Cost for 7,000 gal \$38.95              Cost for 7,000 gal \$38.95

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Scott Pick, Manager  
 Name & Title of Authorized Signatory \_\_\_\_\_ Signature Scott Pick  
 (Typed) \_\_\_\_\_ Date 01/27/2017



## State Water Plan Application

Applicant: City of Sioux Falls  Address: 224 West 9th Street Sioux Falls, South Dakota 57104  Phone Number: 605-367-8800	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right;">\$4,690,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other: Non-point Source</td> <td style="text-align: right;">\$239,560</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$4,929,560</b></td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$4,690,000	Local Cash	_____	Other: Non-point Source	\$239,560	Other: _____	_____	<b>TOTAL</b>	<b>\$4,929,560</b>
Proposed Funding Package													
Projected State Funding	\$4,690,000												
Local Cash	_____												
Other: Non-point Source	\$239,560												
Other: _____	_____												
<b>TOTAL</b>	<b>\$4,929,560</b>												

Project Title: Energy Recovery

Description: (Include present monthly utility rate.)

The Energy Recovery project involves replacing the original CAT 450 Kilowatt engine generators installed in the early 1980s. The generators have exceeded their useful life. The generators will be replaced with more efficient microturbines. The Energy Recovery project includes both design and construction.

The City will be using the Request for Proposal (RFP) process to select the firm for the facility plan preparation, final design, and construction inspection for project. A firm has not been selected yet.

The City's current monthly wastewater rates are \$30.67 for domestic use and \$48.75 for business use. These rates went into effect January 2017. There would be a projected surcharge revenue associated with this project.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Mike Huether, Mayor

\_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)



\_\_\_\_\_  
 Signature

11/30/17  
 \_\_\_\_\_  
 Date

**CITY USE ONLY**

Agreement No. 17-3082 Dept/ MOU \_\_\_\_\_  
 Attorney 10 Bell Finance \_\_\_\_\_  
 CIP/Project 23033  
 City Engineer Chad Z. [Signature] SP4

## State Water Plan Application

<p><b>Applicant:</b> City of Sioux Falls</p> <p><b>Address:</b> 224 West 9th Street Sioux Falls, South Dakota 57104</p> <p><b>Phone Number:</b> 605-367-8800</p>	<p><b>Proposed Funding Package</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$4,746,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other: Non-point Source</td> <td style="text-align: right; border-bottom: 1px solid black;">\$242,420</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$4,988,420</b></td> </tr> </table>	Projected State Funding	\$4,746,000	Local Cash	_____	Other: Non-point Source	\$242,420	Other: _____	_____	<b>TOTAL</b>	<b>\$4,988,420</b>
Projected State Funding	\$4,746,000										
Local Cash	_____										
Other: Non-point Source	\$242,420										
Other: _____	_____										
<b>TOTAL</b>	<b>\$4,988,420</b>										

**Project Title:** Equalization Basin Expansion

**Description:** (Include present monthly utility rate.)

The Equalization Basin Expansion project includes the construction of a 19.3 MG equalization basin adjacent to the 12 MG existing basin at the Street's Campus. This project extends the need to expand the existing plant by adding additional capacity. Additionally, the expansion reduces the risk of permit violations.

The City solicited and used the Request for Proposal (RFP) process to select the firm to complete the facility plan preparation, final design, and construction inspection for project. The City has selected the firm of HR Green to complete the work.

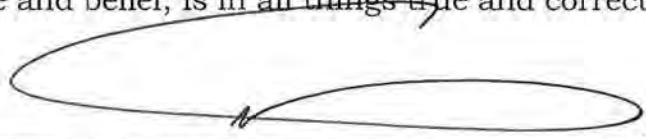
The City's current monthly wastewater rates are \$30.67 for domestic use and \$48.75 for business use. These rates went into effect January 2017. There would be a projected surcharge revenue associated with this project.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things ~~true~~ true and correct.

Mike Huether, Mayor

\_\_\_\_\_  
Name & Title of Authorized Signatory  
(Typed)



\_\_\_\_\_  
Signature

11/30/17  
\_\_\_\_\_  
Date

**CITY USE ONLY**

Agreement No. 17-384 Dept/ MDK Mar 2017  
 Attorney 10/13/17 Finance [Signature]  
 CIP/Project 23932  
 City Engineer Chad [Signature] SFA

## State Water Plan Application

Applicant: City of Sioux Falls  Address: 224 West 9th Street Sioux Falls, South Dakota 57104  Phone Number: 605-367-8800	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right;"><u>\$24,400,000</u></td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;"><u>                    </u></td> </tr> <tr> <td style="text-align: right;">Other: <u>Non-point Source</u></td> <td style="text-align: right;"><u>\$1,246,324</u></td> </tr> <tr> <td style="text-align: right;">Other: <u>                                    </u></td> <td style="text-align: right;"><u>                    </u></td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b><u>\$25,646,324</u></b></td> </tr> </table>	Projected State Funding	<u>\$24,400,000</u>	Local Cash	<u>                    </u>	Other: <u>Non-point Source</u>	<u>\$1,246,324</u>	Other: <u>                                    </u>	<u>                    </u>	<b>TOTAL</b>	<b><u>\$25,646,324</u></b>
Projected State Funding	<u>\$24,400,000</u>										
Local Cash	<u>                    </u>										
Other: <u>Non-point Source</u>	<u>\$1,246,324</u>										
Other: <u>                                    </u>	<u>                    </u>										
<b>TOTAL</b>	<b><u>\$25,646,324</u></b>										

Project Title: Main Pump Station Replacement

Description: (Include present monthly utility rate.)

The City of Sioux Falls has recognized the need to replace the original pump station that was established in the 1970s. The new pump station will address critical issues such as ineffective screening, flood plain location, electrical efficiency, pump captivation, lift station capacity, efficiency and standby power needs.

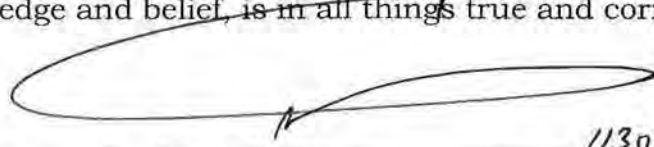
The City solicited and used the Request for Proposal (RFP) process to select the firm to complete the facility plan preparation, final design, and construction inspection for project. The City has selected the firm of HR Green to complete the work.

The City's current monthly wastewater rates are \$30.67 for domestic use and \$48.75 for business use. These rates went into effect January 2017. There would be a projected surcharge revenue associated with this project.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, ~~is in all things~~ true and correct.

Mike Huether, Mayor



Name & Title of Authorized Signatory  
(Typed)

Signature

11/30/17  
Date

CITY USE ONLY

Agreement No. 7-3093 Dept/ MOU                       
 Attorney L. Best Finance                       
 CIP/Project 23424  
 City Engineer                      SEA

## State Water Plan Application

<p><b>Applicant:</b> City of Sioux Falls</p> <p><b>Address:</b> 224 West 9th Street Sioux Falls, South Dakota 57104</p> <p><b>Phone Number:</b> 605-367-8800</p>	<p><b>Proposed Funding Package</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$3,487,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,849,000</td> </tr> <tr> <td style="text-align: right;">Other: <u>Non-point Source</u></td> <td style="text-align: right; border-bottom: 1px solid black;">\$178,112</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$5,514,112</b></td> </tr> </table>	Projected State Funding	\$3,487,000	Local Cash	\$1,849,000	Other: <u>Non-point Source</u>	\$178,112	Other: _____	_____	<b>TOTAL</b>	<b>\$5,514,112</b>
Projected State Funding	\$3,487,000										
Local Cash	\$1,849,000										
Other: <u>Non-point Source</u>	\$178,112										
Other: _____	_____										
<b>TOTAL</b>	<b>\$5,514,112</b>										

**Project Title:** Regional Stormwater Analysis and Improvements

**Description:** (Include present monthly utility rate.)

The City of Sioux Falls has identified drainage improvements as a result of the Southwest Sioux Falls Base Flood Elevation Study. The study provides a detailed storm water analysis of watersheds. This project includes the design and construction of the recommended improvements.

The City will be using the Request for Proposal (RFP) process to select a firm for the facility plan preparation, final design, and construction inspection for project. A firm has not been selected yet.

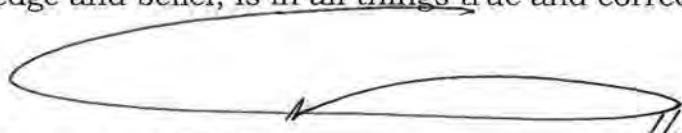
Average residential lot is 7500 square feet in size. In 2017, average residential lot size pays \$43.82 per year. In 2018, average residential lot size pays 47.76 per year. In 2019, average residential lot size pays \$51.08. There would be no surcharge revenue associated with this project.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Mike Huether, Mayor

\_\_\_\_\_  
Name & Title of Authorized Signatory  
(Typed)

  
 \_\_\_\_\_  
 Signature

11/30/17  
 \_\_\_\_\_  
 Date

**CITY USE ONLY**

Agreement No. 17-3085 Dept/ MOU MAJ  
 Attorney CBH Finance Langston  
 CIP/Project 11087  
 City Engineer Chad Mc SRA

## State Water Plan Application

Applicant: Town of Tabor  Address: PO Box 146 Tabor, SD 57063  Phone Number: 605 463-2501	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$4,069,371</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$4,069,371</b></td> </tr> </table>	Projected State Funding	\$4,069,371	Local Cash	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$4,069,371</b>
Projected State Funding	\$4,069,371										
Local Cash	_____										
Other:	_____										
Other:	_____										
<b>TOTAL</b>	<b>\$4,069,371</b>										

Project Title: Tabor Wastewater Collection System Improvements

Description: (Include present monthly utility rate.)


Tabor's sewer collection system was televised and inspected in July 2016. Many deficiencies were found in the system, 90% of which is composed of clay piping. Problems include sags, fractures, broken pipes, offset and separated joints, protruding services, roots, and other issues. One section is so bad that it requires emergency repair. The deficient pipes will be replaced with 8" or 10" PVC piping (pipe lining is not an option, due to the very poor condition of the existing piping). A number of manholes also will be replaced. The project also involves sewage lift station rehabilitation.

The Town's current sewer rate is \$17.00 per month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Laverne Schieffer, Town Board President  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature \_\_\_\_\_ Date September 27, 2016

## State Water Plan Application

Applicant: City of Tyndall  Address: PO Box 29 Tyndall, SD 57066  Phone Number: 605 589-3481	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right;">\$365,300</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$365,300</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$365,300	Local Cash	_____	Other:	_____	Other:	_____	TOTAL	\$365,300
Proposed Funding Package													
Projected State Funding	\$365,300												
Local Cash	_____												
Other:	_____												
Other:	_____												
TOTAL	\$365,300												

Project Title: Tyndall Maple Street Sewer Project

Description: (Include present monthly utility rate.)

The City of Tyndall will be reconstructing three blocks of Maple Street, from the city's grain elevator north to 20th Street. As part of the project, the city intends to replace the old clay sewer line under the street, which is in poor condition, with 8" PVC piping. A total of approximately 1,275 linear feet of pipe will be installed, along with about 600 feet of 4" sewer service lines. The project also includes removal and replacement of three sewer manholes.

The City's current sewer rate is \$17.00 per month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

David Vavruska, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

 January 23, 2017  
 Signature Date

## State Water Plan Application

Applicant: City of Volga  Address: PO Box 217 Volga, SD 57071  Phone Number: (605) 627-9113	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$7,766,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$7,766,000</b></td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$7,766,000	Local Cash	_____	Other: _____	_____	Other: _____	_____	<b>TOTAL</b>	<b>\$7,766,000</b>
Proposed Funding Package													
Projected State Funding	\$7,766,000												
Local Cash	_____												
Other: _____	_____												
Other: _____	_____												
<b>TOTAL</b>	<b>\$7,766,000</b>												

**Project Title:** Volga Waste Water Treatment Facility Improvements

**Description:** (Include present monthly utility rate.)

Improvements are proposed to increase the hydraulic and organic treatment capacity of Volga's Waste Water Treatment Facility (WWTF) to meet projected needs through 2045. Final clarifiers and sludge drying beds are proposed to remove solids ahead of the stabilization ponds and reduce the organic loading on the ponds. They also allow future flexibility should the City want to implement an activated sludge process. In addition, replacement of aging equipment is recommended at the WWTF. Finally, collection system improvements are needed to replace aging clay tile sewer that appears to be causing inflow and infiltration.

The monthly base charge for in-city, metered customers is \$10.08/month. The usage charge for in-city, metered customers is \$1.91/1,000 gallons of average metered water use for the prior months of December, January, February and March. The City has additional rates for other customer classes. A copy of the City's utility rate ordinance is attached.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Randy Santema, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 \_\_\_\_\_  
 Signature

1/31/17  
 \_\_\_\_\_  
 Date

March 30 – 31, 2017

Item 7

**TITLE:** Edgemont Request to Amend Drinking Water State Revolving Fund Loan C462216-01 and Consolidated Water Facilities Construction Program Grant 2016G-200

**EXPLANATION:** In June 2015, the Board awarded a \$1,890,000 DWSRF loan and a \$2,000,000 Consolidated grant to the city of Edgemont. These funds were to construct a new water treatment plant and elevated storage tank, replace distribution lines, and rehabilitate existing city wells No. 2 and No. 4.

Rehabilitation of Well No. 4 was the first project to be undertaken. During this project, the well casing was found to be in much worse condition than anticipated and resulted in additional and unforeseen complications. Fortunately, the Well No. 4 rehabilitation was completed successfully but at an increased cost.

Well No. 2, due to its age, was thought to be in even worse condition than Well No. 4, and the engineer and contractor agreed that the proposed rehabilitation would most likely be an unsuccessful undertaking. The rehabilitation of Well No. 2 was removed from the contract and, instead, the city of Edgemont is proposing to construct a new well adjacent to the Well No. 2 site to provide another viable water source for the city.

Preliminary cost estimates for the new well are \$550,000, which, in combination with the costs of the other proposed projects, exceed the amount of funding currently in the project. The city of Edgemont is pursuing an additional SRF loan to fund the additional project expenses. On February 13, 2017 the department received a letter from the city of Edgemont requesting that the scope of the existing funding be amended to include eligible project expenses associated with the construction of a new well.

**RECOMMENDED ACTION:** Approve the First Amendments to the Edgemont Drinking Water SRF Loan and Consolidated Grant Agreement for a change in project scope.

**CONTACT:** Drew Huisken, 773-4216



RECEIVED

FEB 13 2017

Division of Financial  
& Technical Assistance

February 7, 2016

Drew Huisken  
Engineer II  
Water and Waste Funding Program – DENR  
Joe Foss Building  
523 E Capitol  
Pierre, SD 57501

**Re: Edgemont Water Well Rehabilitation for Well No. 2**

**Reallocation of Funds Request**

Dear Drew:

The City of Edgemont is requesting to use existing allocated funding for the Edgemont Water System Improvements for the design and construction of a new well.

The construction of the Water System Improvements began in July of 2016. The Water System Improvements include a new water treatment plant, elevated storage tank, and the rehabilitation of existing City Wells No. 2 and No. 4.

The well rehabilitation was the first of the projects to be started. The 2015 Water Systems Facility Plan had evaluated City owned Well No. 2 and Well No. 4, located near the planned site for the new water treatment plant and elevated storage tank. Well No. 2 was constructed in 1936 and Well No. 4

constructed in 1962, both wells have reached their estimated useful service life of 50-60 years. The wells are both artesian and approximately 3,200 feet in depth.

The Facility Plan evaluated the costs of rehabilitating the existing wells in place versus drilling new wells into the Madison aquifer. Ultimately it was decided to rehabilitate the existing wells, as the cost of a well rehabilitation was approximately one third the cost of drilling a new well.

August 2016, Water Systems Inc. began to install the new liner within Well No. 4, it was found that the top of the casing pipe was in worse shape than originally anticipated. The liner was able to be installed but as the annular space between the liner and the original casing was filled with grout, the original

casing could not withstand the pressure, causing the grout to flow past the liner plug, sealing the original casing closed. The contractor was able to reactivate the well, by acid hydro-fracking.

After Well No. 4 was reestablished, the Contractor, City, Engineer, and SD DENR met onsite to review the construction progress to date. Well No. 4 was considered to be in better shape than Well No. 2 and given the degradation experienced with the Well No. 4 liner, all parties were apprehensive on continuing with the rehabilitation of Well No. 2. With SD DENR approval, the Contractor, City and Engineer removed the work associated with Well No. 2 from the Contract.

Well No. 2 not being rehabilitated leaves the City with one viable source for water in Well No. 4. The City recognizes the importance that safe, reliable drinking water has on the community. The new water treatment plant will keep the water safe, but only one source still leaves the City vulnerable for water supply.

January 2017 the water treatment plant and the elevated storage tank were bid and awarded. To date, the City has allocated \$3,488,015 of the \$3,890,000 awarded. Preliminary costs for a new well are approximately \$550,000, which does exceed the awarded dollars to date.

The City is in the process of pursuing an additional SRF loan for funds required beyond the \$3,890,000 awarded. In the meantime, the City would like to ability to use its existing awarded funds towards a new well.

If you have any questions or concerns, please contact me or Dustin Dale of AE2S.

Sincerely,

A handwritten signature in cursive script that reads "Carl A. Shaw".

Carl A. Shaw

Mayor

City of Edgemont, SD

March 30 – 31, 2017

Item 8

**TITLE:** TC&G Water Association Request to Amend Drinking Water State Revolving Fund Loan C462479-01

**EXPLANATION:** In June 2015, the Board awarded a \$210,000 DWSRF loan and a \$1,390,000 Consolidated grant to the TC&G Water Association. These funds were for the replacement of 140 water meters, installation of a new booster station, and replacement of 94,000 feet of 2-to 5-inch PVC and 6-inch ductile iron pipe throughout the system with 6-inch PVC water main.

On March 3, 2017 the department received a letter from TC&G requesting additional funding assistance from the Board of Water and Natural Resources in the amount of \$775,000. TC&G Water Association has received requests from 10 users to be added to the water system. In order to add these users to the system, approximately 40,000 feet of additional line is needed as well as improvements to the east booster station, an upsize from 6-inch to 8-inch water main in some locations to achieve sufficient capacity, meter and meter pit installations, and other necessary appurtenances. The cost estimate for this work is \$775,000, bringing total project costs to \$2,890,000.

**RECOMMENDED ACTION:** Approve/Disapprove the Amendment Request.

**CONTACT:** Drew Huisken, 773-4216



# T. C. & G WATER ASSOCIATION INC.

13485 258<sup>th</sup> Avenue  
Glencross, SD 57630

March 2, 2017

Brad Johnson, Chairman  
SD Board of Water and Natural Resources  
%, SD Dept. of Environmental and Natural Resources  
PMB 2020  
Joe Foss Building  
523 East Capitol  
Pierre, South Dakota 57501-3182

Drew Huisken  
Natural Resources Engineer II  
Department of Environment & Natural Resources  
Financial and Technical Assistance Department  
523 East Capitol  
Pierre, SD 57501

Dear Chairman Johnson and Mr. Huisken;

The Trail City and Glencross Water Association (TC&G Water Association or TC&G) thanks the Board of Water and Natural Resources for originally approving a \$210,000 Drinking Water State Revolving Fund loan and a Consolidated Water Facilities Construction grant for \$1,390,000 to assist us in the upgrading of the system in order to meet the demands of its users, and correct pressure and water loss issues. We also thank the board for including the well work in our project. TC&G respectfully requests additional financial assistance from the Board of Water and Natural Resources/SDDENR in the amount of \$775,000.

The project total costs are now estimated at \$2,890,000. This is based on the original needs of the system and the request by approximately 10 additional users in the area services, plus the fact that the water supply wells needed major repairs. The consulting engineer has updated his cost estimates to include going from the original proposed 6" mains to 8" plus add an approximately 40,000+ feet of additional line to serve the new users; improvement to the East Booster Pump were originally thought not necessary, but are now needed; meters and meter pit installations; plus valves, hydrants and necessary appurtenances. The project has been slow to proceed, as it took a great amount of time to work through the environmental review process as two tribal entities were involved and an in depth archaeological walk was required by both tribes. The project is now ready to proceed as the environmental work for the additional users has also been completed. TC&G has also undertaken emergency repairs of the wells. The meter purchase and the bidding of their installation should be underway in March.

SDDENR Additional Funds Request  
Page 2

In addition, the system completed debt refinancing and currently has approximately \$91,800 of debt-\$41,800 of debt with Moreau-Grand Electric and \$50,000 with Western Dakota Bank of Timber Lake. Therefore, there are longer any loans with USDA Rural Development. TC&G is requesting a waiver of the loan parity agreement SRF requirements so the loan with SDDENR can be quickly closed.

In addition at the December 14, 2016 board meeting, the system raised rates by \$1/1000 gallons/user/month beginning February 1, 2017. Thus, rates are currently \$90/user/5000 gallons/month. Final rates will be determined based on the financial package.

TC&G would greatly appreciate the Board of Water and Natural Resources approval for this funding increase. If you have any questions, please feel free to contact Marlene Knutson, Central South Dakota Enhancement District Director at 773-2782 or Karen Salzer, TC&G Office Manager at 605-850-1612.

Sincerely,



Don Hollenbeck,  
President, T.C. & G. Water Association, Inc.

Enclosures

**TITLE:** Onida Request to Amend Drinking Water State Revolving Fund Loan C462234-01 and Consolidated Water Facilities Construction Program Grant 2015G-301

**EXPLANATION:** In September 2014, the Board awarded a \$905,000 DWSRF loan and a \$900,000 Consolidated grant to the city of Onida. These funds were to construct a new water storage tank, and install automatic read meters, new lines to loop the system, and additional hydrants and valves.

Onida has completed construction of the new water storage tower and has installed the new water meters. Onida has recently completed a wastewater system study which identified several areas with severe deficiencies in the sanitary sewer collection system in need of replacement. The city also has asbestos cement watermain, which is beyond its useful life and in need of replacement in these areas. It makes economic sense to replace both water and wastewater lines at the same time. The looping of the water system and additional hydrants and valves are not critical issues and will be planned for a future project. Onida has requested that the Board amend the scope of the current grant and loan to include replacement of the water distribution main under the identified streets so that all underground utility upgrades can be completed at the same time.

To amend the scope of the grant and loan agreements, First Amendments to the Loan Agreement and Grant Agreement have been prepared with assistance from the department's legal counsel and the Attorney General's office.

**RECOMMENDED ACTION:** Approve the First Amendments to the Onida Drinking Water SRF Loan and Consolidated Grant Agreements for a change in project scope.

**CONTACT:** Andy Bruels, 773-4216

SDDENR

**CITY OF ONIDA**  
P. O. Box 72 Onida SD 57564

December 22, 2016

Brad Johnson, Chairman  
SD Board of Water and Natural Resources  
%, SD Dept. of Environmental and Natural Resources  
PMB 2020  
Joe Foss Building  
523 East Capitol  
Pierre, South Dakota 57501-3182

RECEIVED  
DEC 29 2016  
Division of Financial  
& Technical Assistance

Jim Anderson  
Natural Resources Engineer  
Department of Environment & Natural Resources  
Financial and Technical Assistance Department  
523 East Capitol  
Pierre, SD 57501


Dear Chairman Johnson and Mr. Anderson;

The City of Onida proposes to undertake water distribution improvements including the replacement of approximately 9,100 feet of 6 and 8 inch asbestos cement water main with pvc, which will necessitate the replacement of curb stops, approximately 4,700 feet of service line, gates, valves, street and curb and gutter repair, plus all necessary appurtenances to complete the project. This is the first phase of water main replacement project which will coincide with the upgrading of the sanitary sewer collection lines. The city has approximately 20,100 feet of asbestos cement water pipe which is approximately 49% of the main-line portion of the distribution system. The decaying and cracking of asbestos cement pipe allows asbestos to enter the drinking water system. According to the EPA, asbestos may cause lung cancer and other respiratory diseases, intestinal polyps and mesothelioma. The replacement of these lines should also help alleviate high (23%) water loss which the city has experienced over the years, as well as pressure problems. The city completed the replacement of all water meters and the water storage tower in 2015/2016 for \$1,260,000. The proposed project is the first phase of the distribution improvements.

The City of Onida was approved for a \$905,000 DWSRF loan of which \$250,000 is loan forgiveness and the current remaining balance on this loan is shown as \$158,360 (rounded) on the budget sheet for usage in the identified water distribution improvements of this application. This loan was approved by the BWNR on 9/6/2014. The project also involves \$407,790 (rounded) of CWFC funds that were approved by the BWNR at the same time. The original project identified water storage, meters and distribution improvements. The storage and meters are completed, but additional funds are needed to undertake distribution improvements. The existing loan with DENR is #C462234-01 and the CWFC # is 2015G-301. As the entire amounts in the DWSRF and CWFC, along with approximately \$480,000 of local cash has not been utilized, the City respectfully requests to utilize those funds along with up to \$950,000 of additional funds from SDDENR to undertake water distribution improvement which are expected to cost approximately \$1,996,000.

If you have any questions, please feel free to contact me by calling 258-2441 or Marlene Knutson, Executive Director of the Central South Dakota Enhancement District at 605-773-2782 or [mknutson@csded.org](mailto:mknutson@csded.org).

Sincerely,

  
Gary Wickersham  
Mayor

March 30 – 31, 2017

Item 10

**TITLE:** DENR Request to Amend Solid Waste Management Program Grant 2017G-SW-201

**EXPLANATION:** On May 11, 2016, the Board awarded a \$400,000 Solid Waste Management Program (SWMP) grant to the Department of Environment and Natural Resources to assist sub-grantees with Waste Tire and Other Solid Waste Cleanups throughout the State of South Dakota. In 2016, the department used this funding to fund the disposal of 3,025 tons of waste tires in southeast South Dakota. SWMP funding of this type has also assisted with cleanup of expired chemicals at thirty school districts across the state since 2011.

In a March 7, 2017 letter, the department requested an additional \$250,000 to continue efforts to cost share school chemical disposal projects throughout the state and assist with up to four regional waste tire cleanups.

Tire cleanups are anticipated to begin in the summer of 2017, and school chemical cleanup sub-grants will be awarded as they are received.

**RECOMMENDED ACTION:** Approve the First Amendment to the Solid Waste Management Program Grant 2017G-SW-201 for \$250,000 in additional funds.

**CONTACT:** Drew Huisken, 773-4216





DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES

JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

March 7, 2017

~~Mr. Brad Johnson, Chairman~~  
Board of Water and Natural Resources  
523 East Capitol Avenue,  
Pierre, SD 57501

RE: Request to Amend Solid Waste Management Program Grant 2017G-SW-201 for Additional Funds to Continue Waste Tire and Other Solid Waste Cleanups

Dear Mr. Johnson:

On behalf of the Department of Environment and Natural Resources, I respectfully request the Board of Water and Natural Resources increase Solid Waste Management Program (SWMP) grant 2017G-SW-201 by an additional \$250,000. With approximately \$88,000 of unobligated funds remaining in the existing grant, the additional funding will cost share school chemical disposal projects throughout the state and up to four regional waste tire cleanups.

In 2016, the department used SWMP funding to assist with the disposal of 3,025 tons of waste tires in southeast South Dakota. SWMP funding has also assisted with cleanup of expired chemicals at thirty school districts across the state since 2011. Tables including details for each type of project have been attached to this letter.

The requested funds will allow the department to aid local residents with proper disposal of unwanted tires and school districts with hazardous chemical waste. Tire cleanups are anticipated to begin in the summer of 2017, and school chemical cleanup subgrants will be awarded as they are received.

Sincerely,

Steven M. Pirner  
Secretary

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The project priority points shown in the Intended Use Plan are listed in parentheses.

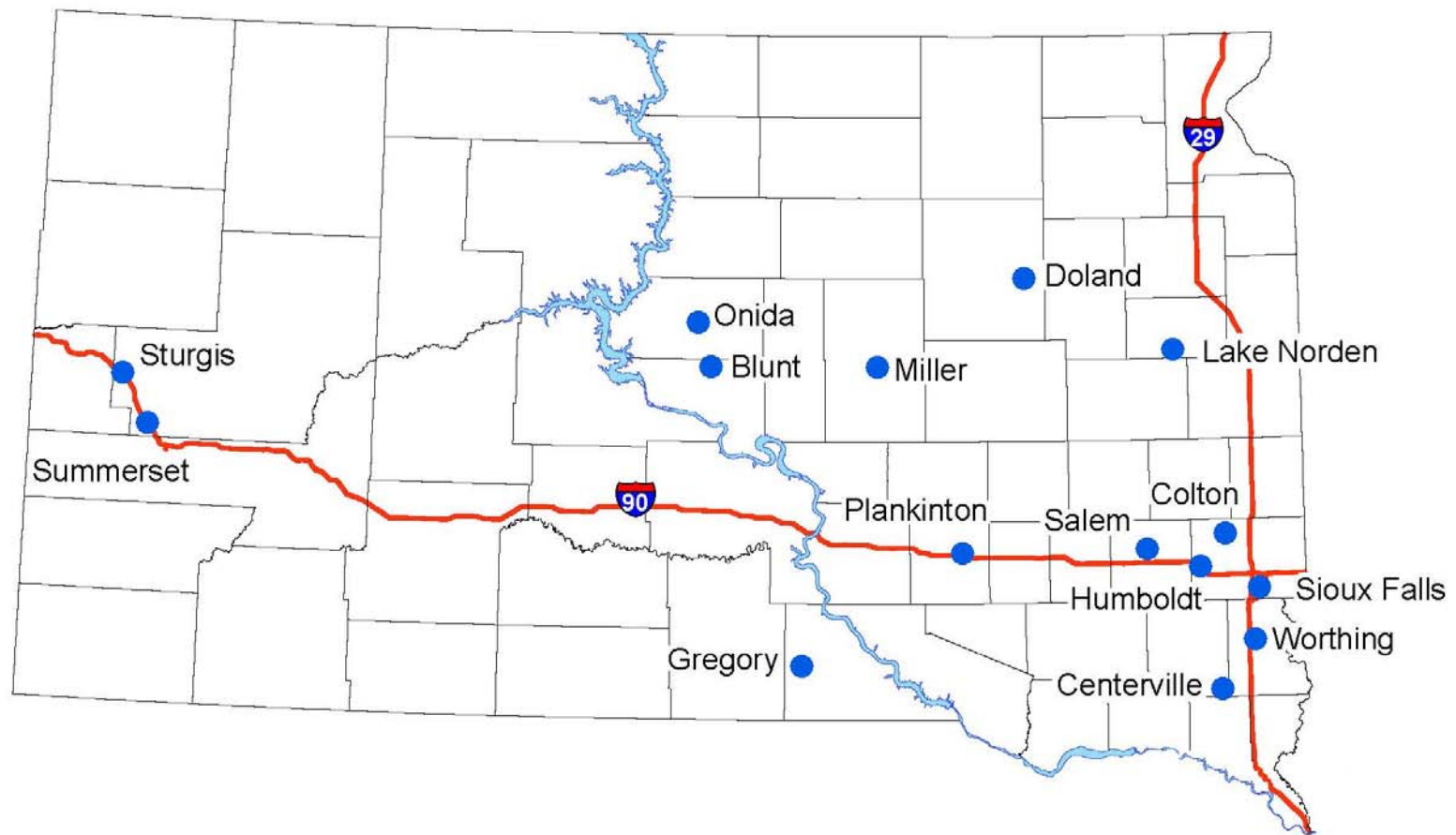
- a. Summerset (31)
- b. Sturgis (25)
- c. Blunt (21)
- d. Sioux Falls (20)
- e. Miller (11)
- f. Salem (11)
- g. Onida (10)
- h. Gregory (9)
- i. Colton (8)
- j. Lake Norden (7)
- k. Centerville (6)

COMPLETE APPLICATIONS: The application cover sheets and summary sheets with a financial analysis have been provided as part of the board packet. Complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsssf0317.pdf>

If you would like a hard copy of the applications, please contact Mike Perkovich at (605) 773-4216.

# Sanitary / Storm Sewer Facilities Applications March 2017



FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF SUMMERSET

Project Title: Wastewater Treatment Plant Improvements

Funding Requested: \$2,769,000

Other Proposed Funding: None

Total Project Cost: \$2,769,000

Project Description: Construction of an equalization basin for incoming wastewater. Also, the construction of an effluent filter and a building to enclose exterior treatment processes.

Alternatives Evaluated: The current facility has problems consistently meeting discharge permit limits and is under a compliance order to take corrective action. Therefore, the "No Action" alternative was rejected.

Several alternatives were evaluated that would expand the plant capacity and address the compliance issues. The expanded plant would serve growth within and outside Summerset's boundaries. Due to cost concerns, Summerset decided to only address the compliance issues at this time and restrict growth if necessary.

The chosen alternative includes constructing an equalization basin to buffer flows entering the treatment process. A greenhouse-like cover will be constructed to enclose processes that are currently exposed to the elements. This will provide an environment more conducive to treatment and operator comfort and safety. Finally, effluent filters will be constructed for additional treatment necessary to meet effluent permit limits.

Implementation Schedule: Summerset anticipates bidding the project in June 2017 with a project completion date of February 2018.

Service Population: 2,239

Current Domestic Rate: \$42.70 flat rate

Interest Rate: 2.50%      Term: 30 years      Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Summerset would have to establish a surcharge of approximately \$12.30. When added to current flat rate of \$42.70/5,000 gallons residents would be paying \$55/5,000 gallons.

20% Funding Subsidy: \$553,800 subsidy with a loan of \$2,215,200.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$2,215,200 Summerset would have to establish a surcharge of approximately \$9.85 thereby paying a flat rate \$52.55/5,000 gallons.

40% Funding Subsidy: \$1,107,600 subsidy with a loan of \$1,661,400.

Coverage at 40% Subsidy: Based on a 40% subsidy and a loan of \$1,661,400 Summerset would have to establish a surcharge of approximately \$7.40 thereby paying a flat rate \$50.10/5,000 gallons.

60% Funding Subsidy: \$1,661,400 subsidy with a loan of \$1,107,600.

Coverage at 60% Subsidy: Based on a 60% subsidy and a loan of \$1,107,600 Summerset would have to establish a surcharge of approximately \$4.95 thereby paying a flat rate \$47.65 /5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Summerset  Address: 12150 Siouxland Road Summerset, SD 57718  Subapplicant: N/A  DUNS Number: 782740091	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,769,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$2,769,000</b></td> </tr> </table>	Requested Funding	\$2,769,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$2,769,000</b>
Requested Funding	\$2,769,000												
Local Cash	_____												
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Other:	_____												
Other:	_____												
<b>TOTAL</b>	<b>\$2,769,000</b>												

Project Title: Wastewater Treatment Plant Improvements

**Description:**

The City of Summerset is proposing improvements to its wastewater treatment plant in response to National Pollutant Discharge Elimination System (NPDES) permit violations and a Department of Environment and Natural Resources issued Order to Comply. The proposed project includes the installation of an effluent filter and the construction of a building to cover exterior process areas at the wastewater treatment plant.

The proposed project will improve the wastewater treatment plant's ability to consistently meet the NPDES permit limits and the proposed cover will improve process equipment reliability and operator safety when maintaining equipment, particularly during the winter months when icing has proven to be problematic.

This project is only one component of the ultimate recommended improvements for the facility. Summerset utilizes a Sequencing Batch Reactor (SBR) process for treatment of wastewater. Additional improvements, to be completed at a later date, include an additional treatment basin and ancillary improvements.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

George Mandas, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature \_\_\_\_\_ Date 12-2-16

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF STURGIS

Project Title: Wastewater System Improvements

Funding Requested: \$16,647,000

Other Proposed Funding: None

Total Project Cost: \$16,647,000

Project Description: The city of Sturgis is proposing several improvements to its wastewater collection and treatment systems. Sturgis is proposing to slip line approximately 31,500 feet of clay tile pipe and replace the existing 15-inch influent pipe with a 21-inch pipe to increase capacity.

The city of Sturgis is proposing to replace its existing stabilization ponds and irrigation system with a membrane bio-reactor (MBR) system. This project also involves the removal and disposal of biosolids that have accumulated in the existing treatment stabilization ponds. Those ponds will be converted to an aerated pond system for handling biosolids.

Alternatives Evaluated: The “No Action” alternative was not chosen because it would address deficiencies in the wastewater collection, influent pipe, and treatment systems.

The “Replace Clay Tile Pipe with PVC” alternative was not chosen because of the significant capital expense involved.

The “Rehabilitate Existing Irrigation Network” alternative would repair the aging irrigation network that is currently in use. In recent years, water use from irrigation has been insufficient and will also not meet future permit requirements. Therefore, this alternative was not chosen.

The “Stabilization Ponds” alternative proposes to expand the existing pond system to be able to house expected wastewater loads. It is anticipated that this system would not meet nutrient removal limits and therefore was not chosen.

A Submerged Attached Growth Reactor (SAGR) treatment system was proposed to handle wastewater. This system was not chosen because the MBR system was found to be more advantageous.

The “Activated Sludge” alternative proposed to construct an extended aeration activated sludge process to treat wastewater. This

system was not chosen because the MBR system was found to be more advantageous.

Implementation Schedule: The city of Sturgis anticipates bidding the project in June 2018 with a completion date of September 2020.

Service Population: 6,688

Current Domestic Rate: \$26.66 flat rate

Interest Rate: 2.5%

Term: 30 years

Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the city of Sturgis would have to establish a surcharge of approximately \$19.05. When added to current flat rate of \$26.66 residents would be paying \$45.71.
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10% Funding Subsidy:	\$1,664,700 subsidy with a loan of \$14,982,300.
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Coverage at 10% Subsidy:	Based on a 10% subsidy and a loan of \$14,982,300, the city of Sturgis would have to establish a surcharge of approximately \$17.15 thereby paying a flat rate \$43.81.
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15% Funding Subsidy:	\$2,497,050 subsidy with a loan of \$14,149,950.
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Coverage at 15% Subsidy:	Based on a 15% subsidy and a loan of \$14,149,950 the city of Sturgis would have to establish a surcharge of approximately \$16.19 thereby paying a flat rate \$42.85.
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25% Funding Subsidy:	\$4,161,750 subsidy with a loan of \$12,485,250.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$12,485,250, the city of Sturgis would have to establish a surcharge of approximately \$14.29 thereby paying a flat rate \$40.95.
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG



## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
 Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Sturgis  Address: 1040 Harley-Davidson Way Sturgis, SD 57785  Subapplicant:  DUNS Number: 033698630	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; width: 60%;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$16,647,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; font-weight: bold;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black; font-weight: bold;">\$16,647,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$16,647,000	Local Cash	_____	Other: _____	_____	Other: _____	_____	Other: _____	_____	TOTAL	\$16,647,000
Proposed Funding Package															
Requested Funding	\$16,647,000														
Local Cash	_____														
Other: _____	_____														
Other: _____	_____														
Other: _____	_____														
TOTAL	\$16,647,000														

**Project Title:** 2017-2018 Sturgis Wastewater Treatment System Improvements

**Description:**

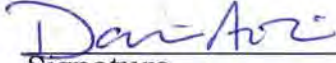
The City of Sturgis is proposing a number of improvements to its wastewater treatment system. The City's wastewater system is facing challenges in terms infiltration and inflow within the collection system, treatment capacity, infrastructure decline, and regulatory changes. Therefore, a number of projects are proposed to address these challenges: slip lining approximately 31,500 lineal feet of the system's remaining clay tile piping; replacement of the main 15-inch influent pipe with a 21-inch pipe that will provide adequate capacity to serve projected flows; removal and disposal of biosolids that have accumulated in lagoon cell #1; a new liquid treatment system to meet current and projected permit limits; and, biosolids treatment improvements.

---

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Daniel Ainslie, City Manager  
 Name & Title of Authorized Signatory  
 (Typed)


Dec 27, 2016  
 Signature Date

**FUNDING REQUEST EVALUATION FORM**  
**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF BLUNT**

Project Title: Wastewater System Improvements Project

Funding Requested: \$1,210,000

Other Proposed Funding: None

Total Project Cost: \$1,210,000

Project Description: The project involves the refurbishment of Blunt's existing three-cell wastewater lagoon treatment system and rehabilitation of both existing lift stations. Cell 1 will be split into two separate cells, the banks of these split cells will be riprapped, both Cell 2 and the new split cell 1 will be relined, and, piping and valves necessary to control flow between the cells will be replaced. Additionally, the main lift station will be coated and have its piping, valves and other appurtenances replaced. The area lift station wet well will be replaced with a manhole. The city is out of compliance with its current surface water discharge permit. The lagoon system is experiencing odor issues, low water levels, and the city has been receiving complaints about leakage from the lagoons.

Alternatives Evaluated: Alternative 1 - No Action: This alternative was not selected because taking no action will not address the inadequate water levels, leakage and odor problems experienced in the existing system.

Alternative 2 - Total Wastewater Treatment System Restoration with Lift Station Improvements: This alternative involves restoring all three cells to their original condition via shaping and compaction of lagoon berms, liner and appurtenance replacement, installing riprap and other improvements. The main lift station will also be coated and have its appurtenances restored and the area lift station wet well will be replaced with a manhole. This alternative was not selected because the existing system is sized improperly, and this alternative is greater in cost than the simple refurbishment.

Alternative 3 - Partial Wastewater Treatment System Rehabilitation with Lift Station Improvements: This alternative involves splitting Cell 1 into two cells, reinforcing the banks of the split cells with riprap, lining both the split cells and Cell 2 and installing appurtenances.

The main lift station will also be coated and have its appurtenances restored and the area lift station wet well will be replaced with a manhole. This alternative was selected because it achieves proper depths in cell 1, allows the city to achieve compliance with its surface water discharge permit and is less expensive than total restoration.

Implementation Schedule: City of Blunt anticipates bidding the project in April 2017 with a project completion date of November 2017.

Service Population: 354

Current Domestic Rate: \$30 flat rate

Interest Rate: 2.50%      Term: 30 years      Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the city of Blunt would have to establish a surcharge of approximately \$33.55. When added to current flat rate of \$30.00 residents would be paying \$63.55.
25% Funding Subsidy:	\$302,500 subsidy with a loan of \$907,500.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of 907,500, the city of Blunt would have to establish a surcharge of approximately \$25.20 thereby paying a flat rate \$55.20.
50% Funding Subsidy:	\$605,000 subsidy with a loan of \$605,000.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$605,000, the city of Blunt would have to establish a surcharge of approximately \$16.80 thereby paying a flat rate \$46.80.
75% Funding Subsidy:	\$907,500 subsidy with a loan of \$302,500.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$302,500, the city of Blunt would have to establish a surcharge of approximately \$8.40 thereby paying a flat rate \$38.40.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

RECEIVED

DEC 30 2016

Division of Financial & Technical Assistance

### Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Blunt  Address: PO Box 127 Blunt, South Dakota 57522  Subapplicant:  DUNS Number: 179698092	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$1,210,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other:</td> <td>_____</td> </tr> <tr> <td>Other:</td> <td>_____</td> </tr> <tr> <td>Other:</td> <td>_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$1,210,000</b></td> </tr> </table>	Requested Funding	\$1,210,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$1,210,000</b>
Requested Funding	\$1,210,000												
Local Cash	_____												
Other:	_____												
Other:	_____												
Other:	_____												
<b>TOTAL</b>	<b>\$1,210,000</b>												

Project Title: Blunt Wastewater System Improvements Project

Description:

The City of Blunt proposes to undertake wastewater system improvements including rehabilitation of the wastewater treatment system to come into compliance with the city's no discharge NPDES permit and the seepage/leakage of the WWTF. The city also experiences odor issues. The existing three cell system is approximately 26.2 acres and was originally oversized. Thus, it cannot maintain the recommended water depth to operate properly for today's population. Further, the system experiences erosion problems due to animals and heavy rains as the ponds are not riprapped. The proposed treatment improvements include the splitting of current cell #1 into two ponds and the current cell #2 will become the evaporation pond. The project will involve installing riprap, fencing, seeding, and necessary appurtenances. Other sanitary sewer improvements proposed are at the two lift stations to include, but not limited to, replacing iron piping, check valves, gates valves, coating the wetwell, manhole lining, replacement and all necessary appurtenances. Cleaning and televising of the wastewater collection system will be completed by the City and therefore are not a part of this application; according to the engineer, the approximate cost for cleaning and televising will be \$100,000.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Bryce Chambers, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

*Bryce Chambers*  
 \_\_\_\_\_  
 Signature Date 12/29/2016

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF SIOUX FALLS

Project Title: Primary Digester Mixing Systems Improvements with Nonpoint Source

Funding Requested: \$11,000,000 – CWSRF  
\$559,125 – Nonpoint Source

Other Proposed Funding: None

Total Project Cost: \$11,559,125

Project Description: The city of Sioux Falls is proposing improvements to the mixing system of three primary digesters and to replace the existing floating covers.

Two of the mixing systems are not functioning properly and the third is creating a foam issue which can potentially overflow the digester.

The existing floating covers are approximately 30years old and reaching the end of their useful life. These covers will be replaced with a short skirt fixed steel cover and geomembrane seal.

The nonpoint source component of the loan will be used to make improvements in the Big Sioux River basin. These improvements include stream stabilization, grazing management, agricultural waste management, and creating vegetative buffers.

Alternatives Evaluated: The “Floating Cover” alternative was not selected because the fixed cover system had advantages in safety, capacity, and reliability.

The “Non-clog Screw Centrifugal Pump” alternative was selected for the mixing system based on factors such as power consumption, maintenance costs, and operational effort.

The “Disk Mixer” alternative was not selected in favor of the non-clog screw centrifugal pump alternative and due to many uncertainties associated with its use.

Implementation Schedule: The city of Sioux Falls anticipates beginning construction in April 2017 with a completion date of May 2019.

Service Population: 165,800

Current Domestic Rate: \$30.67 per 670 cf usage

Interest Rate: 1.00%

Term: 10 years

Security: System Revenue

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Sioux Falls would have to increase rates to a level that will produce annual revenue of \$27,660,000. This will require rate increase of approximately 10.4% and would raise residential rates to approximately \$31.95/670 cf.

10% Funding Subsidy: \$1,155,912 subsidy with a loan of \$10,403,212.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$10,403,212 Sioux Falls would have to increase rates to a level that will produce annual revenue of \$27,476,420. This will require rate increase of approximately 9.7% and would raise residential rates to approximately \$31.75/670 cf.

20% Funding Subsidy: \$2,311,825 subsidy with a loan of \$9,247,300.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$9,247,300 Sioux Falls would have to increase rates to a level that will produce annual revenue of \$27,342,650. This will require rate increase of approximately 9.2% and would raise residential rates to approximately \$31.60/670 cf.

30% Funding Subsidy: \$3,467,737 subsidy with a loan of \$8,091,388.

Coverage at 30% Subsidy: Based on a 30% subsidy and a loan of \$8,091,388 Sioux Falls would have to increase rates to a level that will produce annual revenue of \$27,208,865. This will require rate increase of approximately 8.7% and would raise residential rates to approximately \$31.50/670 cf.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

# Sanitary/Storm Sewer Facilities Funding Application

RECEIVED

Clean Water State Revolving Fund Program (CWSRF)  
 Consolidated Water Facilities Construction Program (CWFCP)

JAN 03 2017

Division of Financial & Technical Assistance

<p>Applicant:                  City of Sioux Falls</p> <p>Address:                  224 West 9th Street                  Sioux Falls, South Dakota 57104</p> <p>Subapplicant:</p> <p>DUNS Number:                  078034683</p>	<p>Proposed Funding Package</p> <p>Requested Funding <u>\$11,000,000</u></p> <p>Local Cash _____</p> <p>Other: _____ NPS <u>\$559,125</u></p> <p>Other: _____</p> <p>Other: _____</p> <p style="text-align: right;">TOTAL <u>\$11,559,125</u></p>
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Project Title: Primary Digester Mixing Systems Improvements with Non-Point Source

Description:

The City of Sioux Falls proposes improvements to the mixing system of primary digesters one, two and three and the replacement of existing floating covers.

The draft tube mixing systems in the wastewater treatment facility are not working in primary digesters two and three. The mixing system in the remaining primary digester was upgraded in 2010. However, this mixing system creates a foam issue that can potentially overflow the digester.

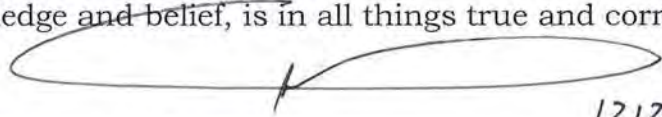
The current covers for all three digesters are approximately 30-years old and near the end of their useful life. The covers will be replaced with a short skirt fixed steel cover and geomembrane seal.

The City's current monthly rate for 670 cubic feet of wastewater is \$28.94 for residential customers and \$45.92 for commercial customers.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Mike Huether, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)



Signature

12/23/16  
 Date

CITY USE ONLY

Agreement No. 17-3016 Dept/ MOU 23  
 Attorney [Signature] Finance [Signature]  
 CIP/Project 23012  
 City Engineer [Signature] [Signature]

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF MILLER

Project Title: Wastewater Improvements Phase II

Funding Requested: \$3,875,000

Other Proposed Funding: \$1,886 – USDA Rural Development

Total Project Cost: \$3,876,886

Project Description: The city of Miller is proposing to replace sanitary sewer throughout the city to address problems with its collection system. This project, Phase II, will replace approximately 9,740 feet of 8-inch sewer main, 2,320 feet of 12-inch sewer main, and 420 feet of 18-inch sewer main, as well as several manholes and other necessary appurtenances.

Alternatives Evaluated: The “No Action” Alternative was not chosen because it would not correct any problems present in the collection system.

“Sanitary Sewer Phase III” was not chosen because Phase II repairs are a higher priority. Phase III work will be considered when Phases I and II are completed.

“Priority 3 Sanitary Sewer” alternative was not chosen because most of the Priority 3 clay pipe is in good condition and not currently a cost-effective option for replacement.

Implementation Schedule: The City of Miller anticipates bidding this project in November 2017 with a completion date in November 2018.

Service Population: 1,461

Current Domestic Rate: \$40.40 flat rate

Interest Rate: 2.50%      Term: 30 years      Security: Project Surcharge



DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan the city of Miller would have to establish a surcharge of approximately \$21.75. When added to current flat rate of \$40.40 residents would be paying \$62.15.

25% Funding Subsidy: \$968,750 subsidy with a loan of \$2,906,250.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$2,906,250, the city of Miller would have to establish a surcharge of approximately \$16.30 thereby paying a flat rate \$56.70.

50% Funding Subsidy: \$1,937,500 subsidy with a loan of \$1,937,500.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$1,937,500, the city of Miller would have to establish a surcharge of approximately \$10.90 thereby paying a flat rate \$51.30.

75% Funding Subsidy: \$2,906,250 subsidy with a loan of \$968,750.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$968,750, the city of Miller would have to establish a surcharge of approximately \$5.45 thereby paying a flat rate \$45.85.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Miller  Address: 120 West 2nd St. Miller, SD 57362-1316  Subapplicant:   DUNS Number: 071365993	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$3,875,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;">USDA-RD _____ \$1,886</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$3,876,886</b></td> </tr> </table>	Proposed Funding Package		Requested Funding	\$3,875,000	Local Cash	_____	Other: _____	USDA-RD _____ \$1,886	Other: _____	_____	Other: _____	_____	<b>TOTAL</b>	<b>\$3,876,886</b>
Proposed Funding Package															
Requested Funding	\$3,875,000														
Local Cash	_____														
Other: _____	USDA-RD _____ \$1,886														
Other: _____	_____														
Other: _____	_____														
<b>TOTAL</b>	<b>\$3,876,886</b>														

Project Title: Miller Wastewater Improvement Project- Phase II

**Description:**

The City of Miller has experienced problems with their wastewater system. The city has cleaned and televised the sewer system and made improvements to the wastewater treatment facility. The results of the televising show severe deficiencies which need to be addressed. In order to address and fix those problems, the City is proposing to replace the sanitary sewer main.

The City of Miller's residents currently pay a monthly flat fee of \$40.40 for sewer services. A reserve fund has not been set up for this project at this point in the planning process.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ron Blachford, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 \_\_\_\_\_  
 Signature

December 19, 2016  
 \_\_\_\_\_  
 Date

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF SALEM

Project Title: Phase One Wastewater Collection Improvements

Funding Requested: \$2,556,000

Total Project Cost: \$2,556,000

Project Description: Replacement of approximately 7,500 feet of aged and deteriorating clay pipe.

Alternatives Evaluated: The "No Action" alternative was not considered acceptable because it would not address the deficiencies in the collection system.

Alternatives evaluated were replacing all the clay pipe in the collection system or replacing the most critical sections of clay pipe as identified in televising reports. The latter was the chosen alternative.

Implementation Schedule: Salem anticipates bidding the project in January 2018 with a project completion date of November 2018.

Service Population: 1,325

Current Domestic Rate: \$30 flat rate

Interest Rate: 2.50%      Term: 30 years      Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Salem would have to establish a surcharge of approximately \$17.75. When added to current flat rate of \$30 residents would be paying \$47.75.

10% Funding Subsidy: \$255,600 subsidy with a loan of \$2,300,000.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$2,300,000 Salem would have to establish a surcharge of approximately \$15.95 thereby paying a monthly rate \$45.95.

20% Funding Subsidy: \$511,200 subsidy with a loan of \$2,044,800.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$2,044,800 Salem would have to establish a surcharge of approximately \$14.20 thereby paying a monthly rate \$44.20.

25% Funding Subsidy: \$639,000 subsidy with a loan of \$1,917,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$1,917,000 Salem would have to establish a surcharge of approximately 13.30 thereby paying a monthly rate \$44.20.

ENGINEERING REVIEW COMPLETED BY: MIKE PERKOVICH

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

**Sanitary/Storm Sewer Facilities Funding Application** JAN 03 2017Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)Division of Financial  
& Technical Assistance

Applicant: City of Salem	Proposed Funding Package	Requested Funding	<u>\$2,556,000</u>
Address: PO Box 249 Salem, South Dakota 57058-0249		Local Cash	<u>                    </u>
Subapplicant:	Other:	<u>                    </u>	<u>                    </u>
DUNS Number: 170382030	Other:	<u>                    </u>	<u>                    </u>
	Other:	<u>                    </u>	<u>                    </u>
		TOTAL	<u>\$2,556,000</u>

Project Title: Phase One Wastewater Collection Improvements

## Description:

Televising reports and lift station records have revealed several issues with the old, existing vitrified clay pipe (VCP) collection system. Phase One Wastewater Collection Improvements include addressing the most critical sections of clay pipe identified in the televising reports. Nearly 7,500 linear feet of aged and deteriorating clay pipe will be replaced with polyvinyl chloride (PVC) sewer mains and services. These mains and services are located on Essex Avenue between Main Street and Minnesota Street; Dakota Street between Essex Avenue and Norton Avenue; Vermont Avenue between Dakota Street and Pierce Street; and Norton Avenue between Idaho Street and Dakota Street. These improvements should greatly reduced the amount of inflow and infiltration in the system as evidenced by lift station records. The wastewater collection improvements will be completed concurrently with water distribution improvements and street replacement plans.

Sewer rates for 5,000 gallons of usage will be \$30.00 (flat rate) effective January 1, 2017. There is a reserve fund established by Resolution.

## The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robin Rayman, Mayor  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

12-15-2016  
Date

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF ONIDA

Project Title: Wastewater System Improvements

Funding Requested: \$2,400,000

Other Proposed Funding: \$500,000 - Local Cash

Total Project Cost: \$2,900,000

Project Description: Replacement of approximately 8,200 feet of clay sewer lines that can be replaced in conjunction with asbestos cement water lines and approximately 2,970 feet of services lines. The project also involves replacing the existing submersible lift station with a wet well/dry well lift station.

Alternatives Evaluated: The No Action alternative was not considered acceptable because it would not address the deficiencies in the collection system or with the lift station.

Collection System Alternatives - After televising the collection system, the existing clay lines were identified as Priority 1, 2, and 3.

Alternative 2a is to replace the Priority 1 and 2 clay lines that can be replaced in conjunction with asbestos cement water lines. This was the chosen alternative.

Alternative 2b is to replace the remaining Priority 1 and 2 clay lines in the system.

Alternative 3 is to replace the Priority 3 clay lines in the system.

Lift Station Alternatives – The alternatives evaluated were repairing the existing lift station or replacing it with either a submersible lift station or a wet well/dry well lift station. The wet well/dry well lift station was the chosen alternative.

Implementation Schedule: Onida anticipates bidding the project in October 2017 with a project completion date of October 2018.

Service Population: 663

Current Domestic Rate: \$17.00 flat rate

Interest Rate: 2.50%

Term: 30 years

Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Onida would have to establish a surcharge of approximately \$27.90. When added to current flat rate of \$17/month residents would be paying \$44.90/month.

10% Funding Subsidy: \$240,000 subsidy with a loan of \$2,160,000.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$2,160,000 Onida would have to establish a surcharge of approximately \$25.10 thereby paying a rate \$42.10/month.

25% Funding Subsidy: \$600,000 subsidy with a loan of \$1,800,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$1,800,000 Onida would have to establish a surcharge of approximately \$20.90 thereby paying a rate \$37.90/month.

50% Funding Subsidy: \$1,200,000 subsidy with a loan of \$1,200,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$1,200,000 Onida would have to establish a surcharge of approximately \$13.95 thereby paying a rate \$30.95/month.

ENGINEERING REVIEW COMPLETED BY: MIKE PERKOVICH

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

RECEIVED

DEC 23 2016

Division of Financial & Technical Assistance

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### Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Onida  Address:  PO Box 72 Onida, SD 57564-0072  Subapplicant: N/A  DUNS Number: 120714113	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,400,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$500,000</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$2,900,000</b></td> </tr> </table>	Requested Funding	\$2,400,000	Local Cash	\$500,000	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$2,900,000</b>
Requested Funding	\$2,400,000												
Local Cash	\$500,000												
Other:	_____												
Other:	_____												
Other:	_____												
<b>TOTAL</b>	<b>\$2,900,000</b>												

Project Title: Onida Wastewater System Improvments


Description:

The City of Onida proposes to undertake major improvements to the city's wastewater system. The existing system has been found to have numerous widespread deficiencies that range from differential settling, joint offsets, separated joints, broken pipe, and infiltration of the system. A portion of this will include replacement of existing 6" and 8" clay sanitary sewer pipe with 4" and 8" PVC pipe adjacent to water mains for approximately 11,520 linear feet. Approximately 17.6 percent of the sewer collection pipe is proposed to be replaced. As a result, an estimated 10.5 percent reduction in infiltration is expected. 46 manhole covers are expected to be replaced as well. The second portion of the project consists of replacement of the existing lift station. The existing wet well will be replaced with a steel dry pit. The dry pit would consist of a steel structure that houses the pumps, controls, valves, and related electrical equipment. The current lift station has numerous deficiencies that include no trash screen, no working ventilation, corroded piping, and no generator available for emergencies. All necessary appurtenances have been included in the budget and project scope.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gary Wickersham, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)



\_\_\_\_\_  
 Signature

December 22, 2016  
 \_\_\_\_\_  
 Date



**FUNDING REQUEST EVALUATION FORM**  
**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF GREGORY**

Project Title: Felton Street Improvements

Funding Requested: \$260,000

Other Proposed Funding: \$74,000 – Local Cash

Total Project Cost: \$334,000

Project Description: The city of Gregory is proposing to replace the clay sanitary sewer pipe along Felton Street between 4<sup>th</sup> Street and 2<sup>nd</sup> Street. This location has experienced structural deficiencies and excess infiltration, especially at intersections with sanitary sewer services and at the connection of the outfall line to the lagoons.

Alternatives Evaluated: The “Video Inspection of Existing System” alternative will help determine which portions of the system need to be replaced. This alternative was postponed in favor of the Felton Street Improvements.

The “Replace all VCP Pipe” alternative will replace all vitrified clay pipe (approximately 37,200 feet) present in the sanitary sewer system. This alternative was not chosen because of high capital cost and due to the city proceeding with repairs in critical locations such as Felton Street.

Implementation Schedule: The city of Gregory anticipates bidding the project in June 2017 with a completion date of October 2017.

Service Population: 1,254

Current Domestic Rate: \$32.00 per 5,000 gallons usage

Interest Rate: 2.25%

Term: 20 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Gregory would have to establish a surcharge of approximately \$2.15. When added to current rate of \$32.00 residents would be paying \$34.15.

25% Funding Subsidy: \$85,000 subsidy with a loan of \$175,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$175,000 Gregory would have to establish a surcharge of approximately \$1.45 thereby paying a rate \$33.45.

50% Funding Subsidy: \$167,000 subsidy with a loan of \$93,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$93,000 Gregory would have to establish a surcharge of approximately \$0.77 thereby paying a rate \$32.77.

75% Funding Subsidy: \$251,000 subsidy with a loan of \$9,000.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$9,000 Gregory would have to establish a surcharge of approximately \$0.08 thereby paying a rate \$32.08.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: LUKUS LEIDHOLT

Sanitary/Storm Sewer Facilities Funding Application

RECEIVED

Clean Water State Revolving Fund Program (CWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

JAN 03 2017

Division of Financial & Technical Assistance

Table with 2 columns: Applicant/Proposed Funding Package. Rows include City of Gregory, Requested Funding (\$260,000), Local Cash (\$74,000), and TOTAL (\$334,000).

Project Title: Felton Street Improvements

Description: The City of Gregory retained SPN to prepare a PER for its wastewater system. The selected alternative proposes to install a new collection system along Felton Street that would replace the pipe. This location is probably the worst location noted for structural problems and allowing infiltration; where the main sewer pipe's intersections with the sewer services and where the pipes connect to the outfall line going to the lagoon. Recent camera inspections revealed the line being full of roots and in tough shape for a clay pipe. The project will involve the installation of approximately 800 lineal feet of 8" PVC sewer main along Felton Street between 4th Street and 2nd Street.

The City of Gregory charges its residents \$32 for 5,000 gallons of wastewater.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Signature section with typed name 'Scott Anshutz', handwritten signature, and date 'December 20, 2016'.

**FUNDING REQUEST EVALUATION FORM**  
**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF COLTON**

Project Title: First and Main Streets Utility Improvements Project

Funding Requested: \$1,385,000

Other Proposed Funding: None

Total Project Cost: \$1,385,000

Project Description: The project involves open-cut replacement of approximately 5,500 feet of clay sanitary sewer on Main and First Streets with 8-inch PVC sewer. The city requires new sanitary sewer to alleviate issues with infiltration and inflow (I/I).

Alternatives Evaluated: Alternative 1 - No Action: This alternative was not selected because taking no action will not relieve current issues with I/I.

Alternative 2 - Cured-in-Place Pipe (CIPP) Improvements: This alternative involves making improvements to the sanitary sewer to reduce I/I through the use of trenchless technology. This alternative was not selected because despite cost savings when compared to open-cut installation, Main and First Streets need to replace water main using open-cut methods making concurrent open-cut installation more practical.

Alternative 3 - Open-Cut Conventional Improvements: This alternative involves replacement of sanitary sewer using conventional open trench construction. This alternative was selected because water main replacement was already planned in the same location to save on the cost of construction.

Implementation Schedule: The city of Colton anticipates bidding the project in July 2017 with a project completion date of December 2017.

Service Population: 687

Current Domestic Rate: \$25.50 per 5,000 gallons usage

Interest Rate: 2.50%

Term: 30 years

Security: Project Surcharge

### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Colton would have to establish a surcharge of approximately \$19.50. When added to current rate of \$25.50 residents would be paying \$45.

25% Funding Subsidy: \$346,250 subsidy with a loan of \$1,038,750.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$1,038,750 Colton would have to establish a surcharge of approximately \$14.60 thereby paying a rate \$40.10.

50% Funding Subsidy: \$692,500 subsidy with a loan of \$692,500.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$692,500 Colton would have to establish a surcharge of approximately \$9.75 thereby paying a rate \$35.25.

75% Funding Subsidy: \$1,038,750 subsidy with a loan of \$346,250.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$346,250 Colton would have to establish a surcharge of approximately \$4.90 thereby paying a rate \$30.40.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

RECEIVED

# Sanitary/Storm Sewer Facilities Funding Application

JAN 03 2017

Clean Water State Revolving Fund Program (CWSRF)  
 Consolidated Water Facilities Construction Program (CWFCP)

Division of Financial & Technical Assistance

<p>Applicant:                  City of Colton</p> <p>Address:                  PO Box 66                  Colton, South Dakota 57018</p> <p>Subapplicant:</p> <p>DUNS Number:                  785133302</p>	<p>Proposed Funding Package</p> <p style="text-align: right;">Requested Funding <u>    \$1,385,000    </u></p> <p style="text-align: right;">Local Cash <u>                            </u></p> <p>Other: <u>  </u></p> <p>Other: <u>  </u></p> <p>Other: <u>  </u></p> <p style="text-align: right;">TOTAL <u>    \$1,385,000    </u></p>
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Project Title: First and Main Streets Sanitary Sewer Improvements Project

Description:

The City of Colton is proposing a phased clean water improvement project. Phase One will include replacing approximately 5,500 linear feet of Vitrified Clay Pipe (VCP) with eight-inch polyvinyl chloride (PVC), approximately 2,880 linear feet of sanitary sewer service piping, and 20 sewer manholes. Phase One will focus on First Street from Cemetery Drive to Main Avenue and continue along Main Avenue south to the Colton city limits. These proposed sanitary sewer improvements will be completed concurrently with proposed drinking water system improvements using conventional open cut replacement. The improvements will reduce the occurrence of Inflow and Infiltration into the system; resulting in increased system capacity, a reduction in hydraulic overloading of the treatment and lower operating costs.

Current sewer rates are \$25.50 for 5,000 gallons of water used. There is no sewer reserve fund.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ryan Fods, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

*Ryan Fods*  
 Signature

12/20/16  
 Date

**FUNDING REQUEST EVALUATION FORM**  
**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF LAKE NORDEN**

Project Title: Sanitary Sewer Collection System Rehabilitation

Funding Requested: \$1,606,800

Other Proposed Funding: None

Total Project Cost: \$1,606,800

Project Description: Lake Norden is proposing to reline approximately 8,450 of sanitary sewer collection pipe and 188 manholes to rehabilitate the collection system pipe that has been identified to have severe or moderate deficiencies. Spot repairs and line replacement may also be needed in areas. The project also includes cleaning and televising an additional 8,900 feet of the system to determine if additional rehabilitation is necessary.

Alternatives Evaluated: No Action: This alternative was considered; however' it has been determined that significant amounts of inflow and infiltration are entering the collection system. If no repairs are made the wastewater treatment system will continue to be hydraulically overloaded and will need to make emergency discharges.

Full Pipe Replacement: This alternative was considered for both the severe and moderate deficiency pipe in the collection system. The cost for total replacement is much higher due to the need to replace street surfaces. Based on the cleaning and televising reports it appears most of the existing pipe is suitable for cast in place pipe relining which is significantly less expensive.

Implementation Schedule: Lake Norden anticipates bidding the project in July 2017 with a project completion date of December 2017.

Service Population: 467

Current Domestic Rate: \$19.80 per 5,000 gallons usage

Interest Rate: 2.50%      Term: 30 years      Security: Project Surcharge

### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan city of Lake Norden would have to establish a surcharge of approximately \$30.00. When added to current rate of \$19.80/5,000 gallons residents would be paying \$49.80/5,000 gallons.

10% Funding Subsidy: \$160,680 subsidy with a loan of \$1,446,120.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$1,446,120, the city of Lake Norden would have to establish a surcharge of approximately \$27.00 thereby paying a rate \$46.80/5,000 gallons.

15% Funding Subsidy: \$241,020 subsidy with a loan of \$1,365,780.

Coverage at 15% Subsidy: Based on a 15% subsidy and a loan of \$1,365,780, the city of Lake Norden would have to establish a surcharge of approximately \$25.50 thereby paying a rate \$45.30/5,000 gallons.

25% Funding Subsidy: \$401,700 subsidy with a loan of \$1,205,100.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$1,205,100, the city of Lake Norden would have to establish a surcharge of approximately \$22.50 thereby paying a rate \$42.30/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ANDY BRUELS

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG



## Sanitary/Storm Sewer Facilities Funding Application

JAN 03 2017

Clean Water State Revolving Fund Program (CWSRF)  
 Consolidated Water Facilities Construction Program (CWFCP)

Division of Financial  
 & Technical Assistance

Applicant: City of Lake Norden  Address: 508 Main Avenue Lake Norden, SD 57248  Subapplicant: N/A  DUNS Number: 830638586	Proposed Funding Package  <table style="width: 100%; border: none;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$1,606,800</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$1,606,800</b></td> </tr> </table>	Requested Funding	\$1,606,800	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$1,606,800</b>
Requested Funding	\$1,606,800												
Local Cash	_____												
Other:	_____												
Other:	_____												
Other:	_____												
<b>TOTAL</b>	<b>\$1,606,800</b>												

Project Title: Lake Norden cleaning, televising and relining of wastewater collection lines.

Description:

\$1,580,000 - Cast In Place Pipe (CIPP) relining of existing wastewater collection lines.

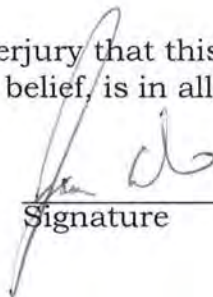
\$26,800 - Televising existing wastewater collection lines

\$1,606,800 - Total

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Jason Aho, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 \_\_\_\_\_  
 Signature

12/27/2016  
 \_\_\_\_\_  
 Date

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF CENTERVILLE

Project Title: Main Street Improvements Project

Funding Requested: \$240,000

Other Proposed Funding: \$106,000 – DOT Community Access Grant

Total Project Cost: \$346,000

Project Description: Replacing storm sewer on Main Street. The new storm sewer will increase capacity and alleviate flooding problems that occur during large storm events.

Alternatives Evaluated: The “No Action” alternative was evaluated and rejected due to the current flooding problems and additional flow anticipated from upstream storm sewers.

The replacement of the existing storm sewer with larger size pipe was considered. It would be necessary to install 30-inch diameter pipe to provide adequate capacity. However, installation of 30-inch pipe would leave minimal clearance between the top of pipe and road surface making this a non-desirable alternative.

The existing storm sewer is in good condition so the chosen alternative is to supplement the conveyance of storm flows by installing an additional 24-inch pipe. This will provide adequate clearance with the street surface and will surpass the capacity of the single 30-inch pipe.

Implementation Schedule: The city of Centerville anticipates bidding the project in April 2017 with a project completion date of December 2017.

Service Population: 882

Current Domestic Rate: \$36.50 per 670 cubic feet usage

Interest Rate: 2.50%      Term: 30 years      Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan Centerville would have 130% coverage based on the current rate of \$36.50/670 cubic feet.

10% Funding Subsidy: \$24,000 subsidy with a loan of \$216,000.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of 216,000, Centerville would have 132% coverage based on the current rate of \$36.50/670 cubic feet.

20% Funding Subsidy: \$48,000 subsidy with a loan of \$192,000.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$192,000, Centerville would have 134% coverage based on the current rate of \$36.50/670 cubic feet.

25% Funding Subsidy: \$60,000 subsidy with a loan of \$180,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$180,000, Centerville would have 135% coverage based on the current rate of \$36.50/670 cubic feet.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Centerville  Address: PO Box C Centerville, South Dakota 57014  Subapplicant:  DUNS Number: 138921767	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$240,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: DOT CAG</td> <td style="text-align: right; border-bottom: 1px solid black;">\$106,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$346,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$240,000	Local Cash	_____	Other: DOT CAG	\$106,000	Other: _____	_____	Other: _____	_____	TOTAL	\$346,000
Proposed Funding Package															
Requested Funding	\$240,000														
Local Cash	_____														
Other: DOT CAG	\$106,000														
Other: _____	_____														
Other: _____	_____														
TOTAL	\$346,000														

Project Title: Main Street Improvements Project

**Description:**

The Main Street Improvements Project will consist of storm sewer and surfacing improvements. The existing storm sewer system is undersized and needs more capacity. Large rainfall events cause flooding at the intersection of Main Street and Iowa Street, which then floods East along Main Street. These floods make the intersection and street impassible for vehicles and unsafe for pedestrians. Over the past 12 years, the City has improved the sanitary sewer and water main systems along this street. The City of Centerville will now be increasing the capacity of the storm sewer along Main Street from 300 feet west of Nebraska Street extending 1,850 feet to the Iowa Street intersection. The City will be installing 1,820 linear feet of 24-inch Storm Sewer along with seven junction boxes.

The project will also include full width asphalt surfacing from Nebraska Street to Idaho Street.

The City of Centerville does not have a reserve fund established for its utility. Its current sewer rate is \$36.50 per month for 670 cubic feet.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Jerry Nilsen, Mayor, City of Centerville  
Name & Title of Authorized Signatory  
(Typed)

*Jerry Nilsen* 12/16/16  
Signature Date

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The projects are listed in priority point order as shown in the Intended Use plan, and the points are listed in parentheses.

- a. Hermosa (145)
- b. Langford (108)
- c. Yankton (73)
- d. Lesterville (52)
- e. Onida (24)
- f. B-Y Water District (23)
- g. Martin (20)
- h. Colton (19)
- i. Pine Cliff Park Water & Maint., Inc. (17)
- j. Humboldt (14)
- k. Plankinton (14)
- l. Worthing (14)
- m. Doland (12)
- n. Miller (10)
- o. Salem (10)

COMPLETE APPLICATIONS: Application cover sheets and summary sheets with financial analysis have been provided as part of the board packet. Complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsdf0317.pdf>

If you would like hard copies of the applications, please contact Andy Bruels at (605) 773-4216.

# Drinking Water Facilities Funding Applications March 2017



FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: TOWN OF HERMOSA

Project Title: Well Rehabilitation and Waterline Installation

Funding Requested: \$199,000

Other Proposed Funding: None

Total Project Cost: \$199,000

Project Description: The town of Hermosa has experienced radionuclide violations for an existing well. Due to these compliance violations, the well has been taken out of operation, and the town is currently not able to supply enough water to meet peak day demand. With only one other well, the town does not have a redundant water supply. This project would investigate the different well production zones to isolate and plug off zones negatively impacting the water quality to provide the town with a second source of water. A portion of the community on the western edge is experiencing low pressure problems. This project would alleviate those pressure issues by installing a new booster station to increase pressures to this area.

Alternatives Evaluated: Water Source/Supply Alternatives

Blending of Current Sources: This alternative considered blending of the two existing Hermosa wells to achieve radionuclide compliance based on limiting the amount of water exceeding the limits to be introduced to the distribution system. This was determined to be only a short term solution and was not recommended by DENR's Drinking Water program.

Purchase of Water from Hermosa Water User Association: This alternative would have constructed a pipeline to connect to the Association's distribution system to supply water to the town. The Association was not interested in providing the connection or selling water. No further investigation of this alternative was conducted.

Purchase of Water from a Private Well: Hermosa was approached by a private citizen with an existing well to purchase water from. After investigation it was determined that the well capacity and water quality were not sufficient to meet the town's needs.

**Drilling a New Well:** The town considered drilling a new well into the Madison Aquifer outside of town. This alternative would also require construction nearly 4 miles of pipeline to connect to the town and purchase of a well site to be able to drill into the preferred location within the aquifer. This alternative was not selected due to cost.

**Purchase of Water from Southern Black Hills Water System:** The town has held discussions with Southern Black Hills to supply the town with water from a nearby well that Southern Black Hills owns. After presentation by Southern Black Hills to the town on potential terms of a purchase contract, the town did not feel this alternative was the preferred option.

**Treatment of the Existing Well:** Two options for treatment of the existing well were investigated. One option would utilize a large commercial water softening system to remove the radionuclides. The other treatment option would utilize an ion exchange treatment system to remove the radionuclides. Due to the overall capital and operational costs of both treatment options neither were selected as the preferred alternative. These may be further investigated in the future if necessary.

**Water Distribution Pressure Alternatives:** To increase pressure in the distribution system, one option is to install an additional high pressure main from an existing booster station. This alternative would not create as great a positive pressure impact on the system as the stand alone new booster station would. Additionally, this alternative has a higher capital cost and was not selected.

**Implementation Schedule:** Hermosa anticipates bidding the project in June 2017 with a project completion date of August 2017.

**Service Population:** 443

**Current Domestic Rate:** \$30.00 per 5,000 gallons usage

**Interest Rate:** 2.00%

**Term:** 30 years

**Security:** Project Surcharge



DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Hermosa would have to establish a surcharge of approximately \$3.50. When added to current rate of \$30/5,000 gallons residents would be paying \$33.50/5,000 gallons.

10% Funding Subsidy: \$19,900 subsidy with a loan of \$179,100.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$179,100 Hermosa would have to establish a surcharge of approximately \$3.10 thereby paying a rate \$33.10/5,000 gallons.

20% Funding Subsidy: \$39,800 subsidy with a loan of \$159,200.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$159,200 Hermosa would have to establish a surcharge of approximately \$2.75 thereby paying a rate \$32.75 /5,000 gallons.

30% Funding Subsidy: \$59,700 subsidy with a loan of \$139,300.

Coverage at 30% Subsidy: Based on a 30% subsidy and a loan of \$139,300 Hermosa would have to establish a surcharge of approximately \$2.45 thereby paying a rate \$32.45 /5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ANDY BRUELS

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Town of Hermosa  Address: PO Box 298 Hermosa, SD 57744-0298  Subapplicant:  DUNS Number: 183952162	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$199,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$199,000</b></td> </tr> </table>	Proposed Funding Package		Requested Funding	\$199,000	Local Cash	_____	Other: _____	_____	Other: _____	_____	Other: _____	_____	<b>TOTAL</b>	<b>\$199,000</b>
Proposed Funding Package															
Requested Funding	\$199,000														
Local Cash	_____														
Other: _____	_____														
Other: _____	_____														
Other: _____	_____														
<b>TOTAL</b>	<b>\$199,000</b>														

**Project Title:** Hermosa Water Source and Distribution Project

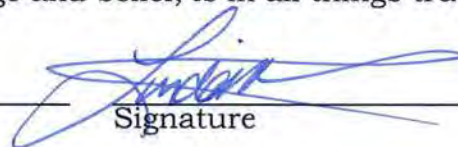
**Description:**

Hermosa is proposing a project to fix water supply and distribution system problems. **SUPPLY PROBLEMS:** The Town's newest of two wells has been shut down due to water that does not meet the MCL for radiological contaminants. This leaves the Town reliant upon just one well and leaves the water supply inadequate and vulnerable during the summer or in emergencies. This newer well also produces excess iron scale which plugs the screen in the well discharge. **DISTRIBUTION PROBLEMS:** Recent development west of Hwy. 79 has a lack of sufficient water volume and water pressure problems. A booster station was proposed in 2013 to remedy this but was not constructed due to a lack of funding. **THE CURRENT PROPOSED PROJECT:** The selected alternative is "Rehabilitate Existing Well" (see facilities plan) which will involve opening new better-quality well production zones along with the possible additional step of identifying and permanent sealing of the well production zone responsible for the contamination. Additionally, the iron scale problem will be fixed by installing a new stainless steel drop pipe. Finally, the distribution problem will be corrected by constructing either a new booster station or a secondary pressure main as part of this project.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Linda Kramer, Town President  
Name & Title of Authorized Signatory  
(Typed)



Signature

12-20-16  
Date

**FUNDING REQUEST EVALUATION FORM**  
**DRINKING WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: TOWN OF LANGFORD**

Project Title: Drinking Water Improvements

Funding Requested: \$1,921,000

Other Proposed Funding: None

Total Project Cost: \$1,921,000

Project Description: The town of Langford plans to construct a new 75,000-gallonelevated storage tank and a pump house building to house a 4,000-gallon ground storage tank, along with pumps and controls to supply the elevated tank. The project also involves replacing approximately 4,200 feet of 4-inch asbestos cement water main with 6-inch PVC main. All of the town's water meters will also be replaced. Langford does not have adequate equalization and emergency storage available with their current 30,000-gallon elevated tank. Frequent line breaks in the existing pipe that is past its design life contribute to water loss in the system.

Alternatives Evaluated: Alternative 1 - No Action: This alternative was not selected because taking no action will not address the storage and water loss problems the city is experiencing.

Storage Alternative 1 - New Ground Storage Tank: This alternative involves a new 75,000-ground storage tank, pump house and booster pumps to maintain pressure in the system. This alternative was not selected because despite providing adequate storage and pressures, the O&M on these pumps exceeds that of pumps used in Storage Alternative 2.

Storage Alternative 2 - New Elevated Storage Tank: This alternative involves a 75,000-gallon elevated storage tank, pump house and pumps to fill the elevated reservoir. This alternative was selected because it provides storage and maintains system pressures with pumps that have lower O&M costs than Alternative 1.

Storage Alternative 3 - Multi-leg Elevated Storage Tank: This alternative involves a 75,000-gallon elevated storage tank, pump house and pumps to fill the elevated reservoir. This alternative was not selected due to providing the same benefits as Storage Alternative 2 at a higher lifetime cost.

Distribution Alternative 1 - Open-cut replacement of 4-inch asbestos cement with 6-inch PVC: This alternative involves replacing all asbestos cement pipe in Langford with 6-inch PVC, installing services, hydrants and replacing all the water meters in the town. This alternative was not selected because despite correcting the water loss caused by the asbestos cement pipe, it is more costly than Distribution Alternative 3.

Distribution Alternative 2 - Perimeter Replacement of 4-inch asbestos cement, 4-inch PVC with 6-inch PVC: This alternative involves replacing pipe such that a 6-inch PVC perimeter is formed around the town of Langford. All the town's water meters would also be replaced. While this would replace most of the ageing asbestos cement line and provide increased flows, the cost is nearly double other alternatives; and asbestos cement watermain would still exist in the system. This alternative was not selected.

Distribution Alternative 3 - Underground Boring Replacement of 4-inch asbestos cement with 6-inch PVC: This alternative involves replacing all asbestos cement pipe in Langford with 6-inch PVC, installing services, hydrants and replacing all the water meters in the town. Services and cross streets will be horizontally bored where appropriate. This alternative was selected because it corrects the water loss from the asbestos cement pipe while minimizing street replacement costs

Distribution Alternative 4 - Meter Replacement: This alternative involves replacement of all water meters in the town of Langford. This alternative was not selected because it is already included in Distribution Alternatives 1-3.

Distribution Alternative 5 - Open-Cut replacement of 4-inch PVC with 6-inch PVC: This alternative involves replacing all 4-inch PVC pipe in Langford with 6-inch PVC and installing services and hydrants. This alternative was not selected because increased flows from the 4-inch PVC lines were not a concern and this alternative would not address the leakage from the asbestos cement lines.

Implementation Schedule:

Town of Langford anticipates bidding the project in June 2017 with a project completion date of December 2017.

Service Population:

313

Current Domestic Rate:

\$48.00 per 5,000 gallons usage

Interest Rate: 0%                      Term: 30 years                      Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan the town of Langford would have to establish a surcharge of approximately \$29.80. When added to current rate of \$48.00/5,000 gallons residents would be paying \$77.80/5,000 gallons.

25% Funding Subsidy: \$480,250 subsidy with a loan of \$1,440,750.  
Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$1,440,750, town of Langford would have to establish a surcharge of approximately \$22.35 thereby paying a rate \$70.35/5,000 gallons.

50% Funding Subsidy: \$960,500 subsidy with a loan of \$960,500.  
Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$960,500, town of Langford would have to establish a surcharge of approximately \$14.90 thereby paying a rate \$62.90/5,000 gallons.

75% Funding Subsidy: \$1,440,750 subsidy with a loan of \$480,250.  
Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$480,250, town of Langford would have to establish a surcharge of approximately \$7.45 thereby paying a rate \$55.45/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Town of Langford  Address: PO Box 191 Langford, SD 57454 605-493-6610  Subapplicant:   DUNS Number: 146873794	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; padding-bottom: 10px;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,921,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$1,921,000</b></td> </tr> </table>	Proposed Funding Package		Requested Funding	\$1,921,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$1,921,000</b>
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Requested Funding	\$1,921,000														
Local Cash	_____														
Other:	_____														
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Other:	_____														
<b>TOTAL</b>	<b>\$1,921,000</b>														

Project Title: Langford Drinking Water Improvements

Description:

The Town of Langford is proposing to make improvements to the drinking water system which include but are not limited to line replacement, water tower improvements, and water meter replacement to help correct the town's water loss.

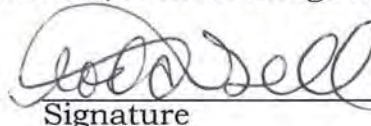
The City's current rate for residential users is \$48.00 per 5,000 and \$52.50 per 5,000 gallons for commercial users.

---

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Todd Sell, President  
Name & Title of Authorized Signatory  
(Typed)



Signature

December 12, 2016  
Date

FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF YANKTON

Project Title: Water Treatment Plant

Funding Requested: \$37,000,000

Other Proposed Funding: \$2,274,540 - Local Cash

Total Project Cost: \$39,274,540

Project Description: Construction of a 5-million gallon per day water treatment facility using reverse osmosis. The existing newer treatment plant will be directly connected as a part of this project to have all treatment in one location. The older of the two existing water treatment facilities will be decommissioned after the new treatment facility is operational.

Alternatives Evaluated: Alternative T-1: No Action

The No Action alternative was reviewed and rejected because this alternative will not meet the future water supply requirements for the City. The older of the two current treatment facilities is scheduled to be retired after 80 years of service. The total treatment capacity without the older plant is not adequate for the city's future needs.

Alternative T-2: Conventional Lime – Soda Ash Softening

The existing treatment plants use conventional lime softening and gravity filtration. This alternative follows the basic design of the existing water treatment plant, with the exception that soda ash will now need to be added to remove the non-carbonate hardness and achieve a finished water total hardness less than or equal to what is currently being achieved.

Alternative T-3: Membrane Softening

Membrane softening is a process that uses nanofiltration (NF) or reverse osmosis (RO) to remove dissolved solids, including hardness. The primary difference between the two is the percent of dissolved solids rejection and the required feed pressure. This alternative assumes RO will be used for membrane softening.

Alternative T-3 is the chosen alternative. Membrane softening provides the best opportunity to meeting the city's key issues. While both alternatives 2 and 3 are designed to meet all the current drinking water regulations, membrane softening provides the best opportunity for meeting future regulations or modifications to the existing conditions and has a lower life cycle cost.

Implementation Schedule: The city of Yankton anticipates bidding the project in March 2017 with a project completion date of August 2019.

Service Population: 14,513

Current Domestic Rate: \$45.76 per 5,000 gallons usage

Interest Rate: 2.25%

Term: 30 years

Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Yankton would have to establish a surcharge of approximately \$29.10. When added to current rate of \$26.95/5,000 gallons residents would be paying \$56.05/5,000 gallons.
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2% Funding Subsidy:	\$740,000 subsidy with a loan of \$36,260,000.
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Coverage at 2% Subsidy:	Based on a 2% subsidy and a loan of \$36,260,000 Yankton would have to establish a surcharge of approximately \$28.50 thereby paying a rate \$55.45/5,000 gallons.
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5% Funding Subsidy:	\$1,850,000 subsidy with a loan of \$35,150,000.
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Coverage at 5% Subsidy:	Based on a 5% subsidy and a loan of \$35,150,000 Yankton would have to establish a surcharge of approximately \$27.65 thereby paying a rate \$54.60/5,000 gallons.
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10% Funding Subsidy:	\$3,70,000 subsidy with a loan of \$33,300,000.
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Coverage at 10% Subsidy:	Based on a 10% subsidy and a loan of \$33,300,000 Yankton would have to establish a surcharge of approximately \$26.20 thereby paying a rate \$53.15/5,000 gallons.
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Applicant: City of Yankton  
Page 3 of 3

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
 Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Yankton  Address: PO Box 176 Yankton, SD 57078  Subapplicant:  DUNS Number: 04-299-9185	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$37,000,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,274,540</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$39,274,540</b></td> </tr> </table>	Requested Funding	\$37,000,000	Local Cash	\$2,274,540	Other: _____		Other: _____		Other: _____		<b>TOTAL</b>	<b>\$39,274,540</b>
Requested Funding	\$37,000,000												
Local Cash	\$2,274,540												
Other: _____													
Other: _____													
Other: _____													
<b>TOTAL</b>	<b>\$39,274,540</b>												

Project Title: YANKTON WATER TREATMENT PLANT

**Description:**

The City of Yankton is making major improvements to its water supply and treatment system. New collector wells are under construction at this time. This project will consist of construction of a new water treatment plant, which will replace the city's existing plants. Using membrane softening, a process that uses reverse osmosis to remove dissolved solids, the plant will give the city an extra 5 MGD of treatment capacity. While the estimated costs are slightly higher than conventional lime softening, membrane softening will result in better water quality.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Amy Nelson, City Manager  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 \_\_\_\_\_  
 Signature

1/19/17  
 \_\_\_\_\_  
 Date

**FUNDING REQUEST EVALUATION FORM**  
**DRINKING WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: TOWN OF LESTERVILLE**

Project Title: Water Main Replacement and Looping

Funding Requested: \$453,000

Other Proposed Funding: None

Total Project Cost: \$453,000

Project Description: The town of Lesterville plans to replace its existing 4- and 6-inch cast-iron and asbestos cement pipe with approximately 4,050 feet of 6-inch PVC water main. The project will also loop the distribution system by installing approximately 1,350 feet of new 6-inch PVC main on the east and south sides of town. Lead service lines from the cast-iron main will also be replaced. Lesterville has water losses in excess of 37 percent and dead-end lines.

Alternatives Evaluated: Alternative 1 - No Action: This alternative was not selected because taking no action will not correct the system's significant water losses and dead-end lines.

Alternative 2 - Line Replacement and Looping: This alternative involves replacing the existing asbestos cement and cast-iron water main with new 6-inch PVC main. The system will also be looped with the installation of new 6-inch PVC water main. This alternative was selected because it will reduce water loss in the existing system and remove instances of stagnant water.

Implementation Schedule: The town of Lesterville anticipates bidding the project in May 2017 with a project completion date of October 2017.

Service Population: 161

Current Domestic Rate: \$40.00 per 5,000 gallons usage

Interest Rate: 2.25%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan the town of Lesterville would have to establish a surcharge of approximately \$29.00. When added to current rate of \$40.00/5,000 gallons residents would be paying \$69.00/5,000 gallons.

25% Funding Subsidy: \$113,250 subsidy with a loan of \$339,750.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$339,750, the town of Lesterville would have to establish a surcharge of approximately \$21.75 thereby paying a rate \$61.75/5,000 gallons.

50% Funding Subsidy: \$226,500 subsidy with a loan of \$226,500.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$226,500, the town of Lesterville would have to establish a surcharge of approximately \$14.50 thereby paying a rate \$54.50/5,000 gallons.

75% Funding Subsidy: \$339,750 subsidy with a loan of \$113,250.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$113,250, the town of Lesterville would have to establish a surcharge of approximately \$7.25 thereby paying a rate \$47.25/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Town of Lesterville  Address:  210 Main Avenue Lesterville, South Dakota 57040  Subapplicant: N/A  DUNS Number: 156981243	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$453,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">0</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$453,000</b></td> </tr> </table>	Proposed Funding Package		Requested Funding	\$453,000	Local Cash	0	Other: _____		Other: _____		Other: _____		<b>TOTAL</b>	<b>\$453,000</b>
Proposed Funding Package															
Requested Funding	\$453,000														
Local Cash	0														
Other: _____															
Other: _____															
Other: _____															
<b>TOTAL</b>	<b>\$453,000</b>														

**Project Title:** Water Main Replacement and Looping

**Description:**

The Town's water distribution system was installed in the early 1900's and consists primarily of 4"-6" cast iron pipe (CIP). In 1986, immediately prior to connecting to B-Y Water District as a bulk customer, a portion of the distribution system was upgraded to PVC piping. At this time, the Town's distribution system includes one block of 8" PVC and 12 blocks of 6" PVC. The balance of the distribution infrastructure is comprised of nine blocks of 4"-6" CIP and two blocks of asbestos cement (AC) main. In addition to the antiquated lines, approximately 6 blocks are served via dead ended mains.

The Town recently upgraded its water meters and is now proposing to upgrade the remainder of its distribution system. Proposed work includes replacing the CIP and AC mains with 6" PVC and elimination of the dead ended loops by installation of PVC main. New mains to facilitate system looping will be constructed along a the southern edge of the community (Railway Street) and one block of Kappel Avenue on the eastern edge of town.

The Town's water rate for 5,000 gallons is \$45.00

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Daryl Bierle, Board President Name & Title of Authorized Signatory (Typed)	 Signature	2-13-2017 Date
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FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF ONIDA

Project Title: Water Distribution Improvements

Funding Requested: \$950,000

Other Proposed Funding: \$479,850 - Local Cash  
\$158,360 remaining from DWSRF (01) loan  
\$407,790 remaining from Consolidated Grant 2015G-301

Total Project Cost: \$1,996,000

Project Description: Replacement of approximately 9,100 feet of asbestos cement water lines, approximately 4,700 feet of services lines, hydrants, valves, and other appurtenances.

Alternatives Evaluated: The No Action alternative was not considered acceptable because it would not address the deficiencies in the distribution system.

Distribution System Alternatives

Replacement of all asbestos cement water lines. Phase 1 is the replacement of the asbestos cement water lines that can be done in conjunction with clay sanitary sewer lines. Phase 2 will address the replacement of the remaining asbestos cement lines. Phase 1 is the chosen alternative.

Looping of lines was also evaluated but not chosen at this time.

Implementation Schedule: Onida anticipates bidding the project in October 2017 with a project completion date of October 2018.

Service Population: 663

Current Domestic Rate: \$35.55 per 5,000 gallons usage

Interest Rate: 2.25%

Term: 20 years

Security: Project Surcharge

### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Onida would have to establish a surcharge of approximately \$13.80. When added to current rate of \$35.55/5,000 gallons residents would be paying \$51.60/5,000 gallons.

15% Funding Subsidy: \$142,500 subsidy with a loan of \$807,500.

Coverage at 15% Subsidy: Based on a 15% subsidy and a loan of 807,500 Onida would have to establish a surcharge of approximately \$11.75 thereby paying a rate \$47.30/5,000 gallons.

50% Funding Subsidy: \$475,000 subsidy with a loan of \$475,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$475,000 Onida would have to establish a surcharge of approximately \$6.90 thereby paying a rate \$42.45/5,000 gallons.

75% Funding Subsidy: \$712,500 subsidy with a loan of \$237,500.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$237,500 Onida would have to establish a surcharge of approximately \$3.45 thereby paying a rate \$39/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: MIKE PERKOVICH

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

RECEIVED

## Drinking Water Facilities Funding Application

DEC 29 2016

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Division of Financial  
& Technical Assistance

<p><b>Applicant:</b> City of Onida</p> <p><b>Address:</b> PO Box 72 Onida, South Dakota 57564-0072</p> <p><b>Subapplicant:</b> Not Applicable</p> <p><b>DUNS Number:</b> 120714113</p>	<p style="text-align: center;"><b>Proposed Funding Package</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$950,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">\$479,850</td> </tr> <tr> <td style="text-align: right;">Other: <u>DWSRF Loan 1</u></td> <td style="text-align: right;">\$158,360</td> </tr> <tr> <td style="text-align: right;">Other: <u>Existing CWFC</u></td> <td style="text-align: right;">\$407,790</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$1,996,000</b></td> </tr> </table>	Requested Funding	\$950,000	Local Cash	\$479,850	Other: <u>DWSRF Loan 1</u>	\$158,360	Other: <u>Existing CWFC</u>	\$407,790	Other: _____	_____	<b>TOTAL</b>	<b>\$1,996,000</b>
Requested Funding	\$950,000												
Local Cash	\$479,850												
Other: <u>DWSRF Loan 1</u>	\$158,360												
Other: <u>Existing CWFC</u>	\$407,790												
Other: _____	_____												
<b>TOTAL</b>	<b>\$1,996,000</b>												

**Project Title:** Onida Water Distribution Improvements Project

**Description:**

The City of Onida proposes to undertake water distribution improvements including the replacement of approximately 9,100 of 6 and 8 inch asbestos cement water main with pvc, which will necessitate the replacement of curb stops, approximately 4,700 feet of service line, gates, valves, street and curb and gutter repair, plus all necessary appurtenances to complete the project. This is the first phase of water main replacement project which will coincide with the upgrading of the sanitary sewer collection lines. The city has approximately 20,100 feet of asbestos cement water pipe which is approximately 49% of the main-line portion of the distribution system. The decaying and cracking of asbestos cement pipe allows asbestos to enter the drinking water system. According to the EPA, asbestos may cause lung cancer and other respiratory diseases, intestinal polyps and mesothelioma. The replacement of these lines should also help alleviate high (23%) water loss which the city has experienced over the years, as well as pressure problems. The city completed the replacement of all water meters and the water storage tower in 2015/2016 for \$1,260,000. The proposed project is the first phase of the distribution improvements. Current water rates are \$35.55/month/5000 gallons/inside city limit users and \$38.55/month/5000 gallons/outside city limit users. The facility plan is on file with SDDENR.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gary Wickersham, Mayor  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

12-22-16  
Date



FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: B-Y WATER DISTRICT

Project Title:	Water Treatment Plant Reservoir
Funding Requested:	\$4,700,000
Other Proposed Funding:	\$95,747 - Local Cash
Total Project Cost:	\$4,795,747
Project Description:	Construction of a 3.4-million gallon pre-stressed concrete ground storage reservoir. This will supply additional storage to increase system reliability by reducing the impact of unexpected plant shutdowns due to natural events or mechanical issues.
Alternatives Evaluated:	<p>The “No Action” alternative was examined and rejected. The no action alternative will result in problems with increased repairs due to frequent cycling of treatment and pumping equipment, inability to properly maintain existing storage facilities, susceptibility to the introduction of giardia into the water supply, and difficulty in maintaining adequate pressures.</p> <p>Three ground storage reservoir options for B-Y were evaluated:</p> <ol style="list-style-type: none"><li>1. Glass Fused to Steel Tank: This is the main type of storage currently used within B-Y’s system; however, glass fused to steel tanks are not currently available at the needed size.</li><li>2. Welded Steel Tank: B-Y also uses welded steel tanks for system storage. These tanks are a viable option but have relatively high maintenance costs.</li><li>3. Prestressed Concrete Tank: B-Y chose this alternative. These tanks have a higher construction cost; however, maintenance costs are much less than the other two options.</li></ol>
Implementation Schedule:	B-Y Water District anticipates bidding the project in June 2017 with a project completion date of September 2018.
Service Population:	4,804
Current Domestic Rate:	\$73.25 per 7,000 gallons usage

Interest Rate: 2.50%

Term: 30 years

Security: System Revenue

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, B-Y Water District would have 114% coverage based on the current rate of \$73.25/7,000 gallons.

10% Funding Subsidy: \$470,000 subsidy with a loan of \$4,230,000.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$4,230,000, B-Y Water District would have 127% coverage based on the current rate of \$73.25/7,000 gallons.

15% Funding Subsidy: \$705,000 subsidy with a loan of \$3,995,000.

Coverage at 15% Subsidy: Based on a 15% subsidy and a loan of \$3,995,000, B-Y Water District would have 134% coverage based on the current rate of \$73.25/7,000 gallons.

20% Funding Subsidy: \$940,000 subsidy with a loan of \$3,760,000.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$3,760,000, B-Y Water District would have 143% coverage based on the current rate of \$73.25/7,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

RECEIVED

DEC 27 2016

**Drinking Water Facilities Funding Application**

Drinking Water Program  
 Drinking Water State Revolving Fund Program (DWSRF)  
 Consolidated Water Facilities Construction Program (CWFCP)

Applicant: B-Y Water District  Address: PO Box 248 Tabor, SD 57063  Subapplicant: N/A  DUNS Number: 032387813	Proposed Funding Package  <table> <tr> <td>Requested Funding</td> <td>\$4,700,000</td> </tr> <tr> <td>Local Cash</td> <td>\$95,747</td> </tr> <tr> <td>Other:</td> <td>_____</td> </tr> <tr> <td>Other:</td> <td>_____</td> </tr> <tr> <td>Other:</td> <td>_____</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$4,795,747</b></td> </tr> </table>	Requested Funding	\$4,700,000	Local Cash	\$95,747	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$4,795,747</b>
Requested Funding	\$4,700,000												
Local Cash	\$95,747												
Other:	_____												
Other:	_____												
Other:	_____												
<b>TOTAL</b>	<b>\$4,795,747</b>												

Project Title: Water Treatment Plant Reservoir

## Description:

The Bon Homme-Yankton Water District (B-Y) is seeking funding assistance for a 3.4 million gallon prestressed concrete ground storage reservoir. Said reservoir will complement the existing system infrastructure while ensuring adequate storage in times of high use or unplanned interruption of plant operations.

The project area can be further defined as a four (4) acre parcel lying north of the treatment plant and immediately northeast of the two (2) existing reservoirs. B-Y's water treatment and supporting storage facilities abut Lewis and Clark Lake effectively placing these facilities at the end of the local power grid. The entire area is powered with overhead electric lines subject to adverse weather conditions such as wind and freezing rain or snow. In 2014, the B-Y Board of Directors requested Johnson Engineering Company Inc. to examine the possibility of increasing on site storage to offset unexpected plant shutdowns due to natural events or mechanical issues. Johnson Engineering Company's Study and the wishes of the B-Y Board of Directors provides the basis for the request.

B-Y's water rate is \$73.25 for 7,000 gallons

## The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Terry Hacecky, Chairman  
 Name & Title of Authorized Signatory  
 (Typed)

*Terry Hacecky*  
 Signature

12-14-16  
 Date

FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF MARTIN

Project Title: City of Martin

Funding Requested: \$633,000

Other Proposed Funding: None

Total Project Cost: \$633,000

Project Description: The city of Martin is proposing to complete the first phase of a multi-phase project to replace and install water main throughout the city. This project will replace existing two-inch water main on 4<sup>th</sup> Avenue, replace water main on Dorothy Street between 4<sup>th</sup> and 5<sup>th</sup> Avenues, and install water main on 5<sup>th</sup> Avenue where none currently exists. Water meters for services on these streets will also be replaced as part of this project.

Alternatives Evaluated: The "No Action" Alternative was not chosen because it would not correct any problems present in the distribution system.

"Overall Distribution System Main Replacement and Additional Fire Hydrants" was not chosen because of high capital costs and a phased approach to replacing the distribution system is preferable.

Implementation Schedule: The city of Martin anticipates bidding the project in January 2018 with a completion date of August 2018.

Service Population: 1,090

Current Domestic Rate: \$27.00 per 5,000 gallons usage

Interest Rate: 2.00%

Term: 30 years

Security: Project Surcharge

### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Martin would have to establish a surcharge of approximately \$5.75. When added to current rate of \$27/5,000 gallons residents would be paying 32.75/5,000 gallons.

25% Funding Subsidy: \$159,000 subsidy with a loan of \$ 474,750.00.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$ 474,750.00 Martin would have to establish a surcharge of approximately \$ 4.30 thereby paying a rate \$ 31.30/5,000 gallons.

50% Funding Subsidy: \$ 319,000 subsidy with a loan of \$ 314,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$ 314,000 Martin would have to establish a surcharge of approximately \$ 2.85 thereby paying a rate \$ 29.85 /5,000 gallons.

75% Funding Subsidy: \$ 474,000 subsidy with a loan of \$ 159,000.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$ 159,000 Martin would have to establish a surcharge of approximately \$ 1.45 thereby paying a rate \$ 28.45 /5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: LUKUS LEIDHOLT

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Martin  Address: PO Box 687 Martin, SD 57551-0687  Subapplicant:  DUNS Number: 124755427	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; padding-bottom: 10px;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$633,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$633,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$633,000	Local Cash	_____	Other: _____	_____	Other: _____	_____	Other: _____	_____	TOTAL	\$633,000
Proposed Funding Package															
Requested Funding	\$633,000														
Local Cash	_____														
Other: _____	_____														
Other: _____	_____														
Other: _____	_____														
TOTAL	\$633,000														

**Project Title:** Phase I Water Main Improvements - 4th and 5th Avenues

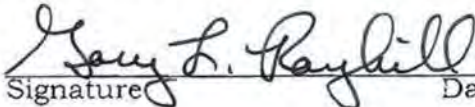
**Description:**

This proposed project is the first phase of a water main project consisting of: the replacement of the existing two-inch water main on 4th Avenue, the replacement of existing water main on Dorothy Street between 4th and 5th Avenues, and the installation of new water main on 5th Avenue where none exists currently (refer to attached map and cost estimate). According to the engineering feasibility study (on file with the DENR) prepared for the State Water Plan application, there is an overall need in Martin for the replacement of existing water mains due to the old, undersized and leak-prone characteristics of many mains. The total estimated cost of this Phase I project is \$632,657 which has been rounded upwards to \$633,000 for purposes of this application. Specific project components, materials and quantities are reflected in the engineering feasibility study.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gary Rayhill, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)


12-14-16  
 \_\_\_\_\_  
 Signature Date

**FUNDING REQUEST EVALUATION FORM**  
**DRINKING WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF COLTON**

Project Title: First and Main Streets Utility Improvements Project

Funding Requested: \$1,315,000

Other Proposed Funding: None

Total Project Cost: \$1,315,000

Project Description: The project involves replacement of ductile iron and asbestos concrete water main on Main, First and Sherman Streets with approximately 7,000 feet of 8-inch PVC water main. The new main will complete a loop on the north side of town. The current water main is past its useful life and the city is experiencing issues with water loss.

Alternatives Evaluated: Alternative 1: No Action. This alternative was not selected because taking no action will not relieve current issues with water loss that the city is experiencing.

Alternative 2: Traditional Open-cut Distribution Improvements. This alternative involves replacement of water main along Main, Sherman and First Streets. This alternative was selected because Main and First Streets were already scheduled for open-cut replacement of sanitary sewer thereby reducing the cost of installation.

Implementation Schedule: The city of Colton anticipates bidding the project in July 2017 with a project completion date of December 2017.

Service Population: 687

Current Domestic Rate: \$44.95 per 5,000 gallons usage

Interest Rate: 2.50%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Colton would have to establish a surcharge of approximately \$18.40. When added to current rate of \$44.95/5,000 gallons residents would be paying \$63.35/5,000 gallons.

25% Funding Subsidy: \$328,750 subsidy with a loan of \$986,250.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$986,250 Colton would have to establish a surcharge of approximately \$13.80 thereby paying a rate \$58.75/5,000 gallons.

50% Funding Subsidy: \$657,500 subsidy with a loan of \$657,500.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$657,500 Colton would have to establish a surcharge of approximately \$9.20 thereby paying a rate \$54.15 /5,000 gallons.

75% Funding Subsidy: \$986,250 subsidy with a loan of \$328,750.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$328,750 Colton would have to establish a surcharge of approximately \$4.60 thereby paying a rate \$49.55 /5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE



RECEIVED

JAN 03 2017

Division of Financial & Technical Assistance

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Colton  Address: PO Box 66 Colton, South Dakota 57018  Subapplicant:  DUNS Number: 785133302	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,315,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$1,315,000</b></td> </tr> </table>	Requested Funding	\$1,315,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$1,315,000</b>
Requested Funding	\$1,315,000												
Local Cash	_____												
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Other:	_____												
<b>TOTAL</b>	<b>\$1,315,000</b>												

Project Title: First and Main Streets Water Distribution Improvements Project

**Description:**

The City of Colton is proposing a comprehensive drinking water distribution project. Located in the central portion of the city, the improvements will be completed concurrently with proposed clean water system improvements using conventional open cut replacement. The improvements include installation of a new eight-inch water main on First Street from Ashland Avenue to Cemetery Avenue. The new eight-inch line will replace the existing four-inch asbestos cement (AC) pipe on First Avenue and extend the eight-inch watermain to the eight-inch polyvinyl chloride (PVC) service line from Minnehaha Community Water Corporation (MCWC) on the northwest side of town. This new line will provide looping on the north side of town. A new eight-inch PVC water main will be installed on Main Avenue from the intersection of First Street and Main Avenue to the fire hydrant south of 8th Street where an existing eight-inch line is currently installed. As part of this project, the four-inch line on Sherman Avenue from 4th Street to 5th Street will be replaced and will complete the eight-inch loop in town.

Current water rates for 5,000 gallons of usage are \$44.95 with an established reserve fund

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ryan Fods, Mayor Name & Title of Authorized Signatory (Typed)	 Signature	12/20/16 Date
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**FUNDING REQUEST EVALUATION FORM**  
**DRINKING WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: PINE CLIFF PARK WATER & MAINTENANCE, INC.**

Project Title: Water System Improvements

Funding Requested: \$463,607

Other Proposed Funding: None

Total Project Cost: \$463,607

Project Description: Pine Cliff Park Water & Maintenance, Inc. is proposing to replace approximately 1,750 feet of 6-inch water main between the system's wells and the existing storage reservoir. Pine Cliff Park is also proposing to replace and re-route another 950 feet of 6-inch water main from the storage reservoir to Pine Cliff Drive.

Alternatives Evaluated: "Regionalization or Consolidation of Systems" alternative was not chosen because the majority of problems are caused by mains inside the system and consolidation would not affect these mains in a cost-effective manner.

The "In-situ Rehabilitation" alternative was not chosen because the failure of the pipe in this location is attributed to lack of adequate bedding and an in-situ method such as pipe bursting would not address these issues.

The "No Action" alternative would not address the problems and was not considered.

Implementation Schedule: Pine Cliff Park anticipates bidding the project in June 2017 with a completion date in September 2017.

Service Population: 167

Current Domestic Rate: \$69.00 per 7,000 gallons usage

Interest Rate: 2.25%      Term: 20 years      Security: Revenue Bond

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, Pine Cliff Park Water & Maintenance, Inc. would have 45% coverage based on the current rate of \$69.00/7,000 gallons.

25% Funding Subsidy: \$115,700 subsidy with a loan of \$347,250.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$347,250, Pine Cliff Park Water & Maintenance, Inc. would have 59% coverage based on the current rate of \$69.00/7,000 gallons.

50% Funding Subsidy: \$231,500 subsidy with a loan of \$231,500.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$231,500, Pine Cliff Park Water & Maintenance, Inc. would have 89% coverage based on the current rate of \$69.00/7,000 gallons.

75% Funding Subsidy: \$347,250 subsidy with a loan of \$115,750.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$115,750, Pine Cliff Park Water & Maintenance, Inc. would have 178% coverage based on the current rate of \$69.00/7,000 gallons.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

<p><b>Applicant:</b> Pine Cliff Park Water &amp; Maintenance, Inc.</p> <p><b>Address:</b> 13031 Pine Cliff Drive Rapid City, SD 57702</p> <p><b>Subapplicant:</b></p> <p><b>DUNS Number:</b> 602798998</p>	<p><b>Proposed Funding Package</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$463,607</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$463,607</b></td> </tr> </table>	Requested Funding	\$463,607	Local Cash	_____	Other: _____	_____	Other: _____	_____	Other: _____	_____	<b>TOTAL</b>	<b>\$463,607</b>
Requested Funding	\$463,607												
Local Cash	_____												
Other: _____	_____												
Other: _____	_____												
Other: _____	_____												
<b>TOTAL</b>	<b>\$463,607</b>												

**Project Title:** Water System Improvements

**Description:**

Pine Cliff Park Water & Maintenance, Inc. is proposing improvements to their water system to address issues related to water main failure, unaccounted water use, lack of accessibility for maintenance, and pressure loss. Recommended system repairs include the replacement of approximately 1,750 feet of 6-inch water main from the wells to Pine Cliff Drive and replacement and re-routing of approximately 950 feet of 6-inch water main from the existing storage reservoir to Pine Cliff Drive.

Engineering recommendations for future improvements to the system include improvements to the water main loop at Timber Lane, as well as the replacement of the existing storage reservoir.

The existing residential water rate is \$45/month, plus \$4/1,000 gallons of water. The system has established a reserve fund for maintenance and emergency repairs and a capital improvement fund.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Sally Kelts, President		12-29-16
Name & Title of Authorized Signatory (Typed)	Signature	Date

**FUNDING REQUEST EVALUATION FORM**  
**DRINKING WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: TOWN OF HUMBOLDT**

Project Title: Water Meter Replacement Project

Funding Requested: \$272,000

Other Proposed Funding: None

Total Project Cost: \$272,000

Project Description: The town of Humboldt proposes to upgrade to an automatic meter reading system by replacing all 262 existing water meters. The existing water meters are over 20 years old and beyond their useful life. The town of Humboldt also proposes to purchase the required computer system and software associated with the automatic reading system.

Alternatives Evaluated: No other alternatives were evaluated.

Implementation Schedule: The town of Humboldt anticipates bidding the project in September 2017 with a completion date in March 2018.

Service Population: 528

Current Domestic Rate: \$29.25 per 5,000 gallons usage

Interest Rate: 2.00%

Term: 10 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan the town of Humboldt would have to establish a surcharge of approximately \$10.65. When added to current rate of \$29.25/5,000 gallons residents would be paying \$39.90/5,000 gallons.

10% Funding Subsidy: \$27,200 subsidy with a loan of \$244,800.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$244,800, the town of Humboldt would have to establish a surcharge of approximately \$10.00 thereby paying a rate \$39.25/5,000 gallons.

15% Funding Subsidy: \$40,800 subsidy with a loan of \$231,200.

Coverage at 50% Subsidy: Based on a 15% subsidy and a loan of \$231,200, the town of Humboldt would have to establish a surcharge of approximately \$9.05 thereby paying a rate \$38.30/5,000 gallons.

20% Funding Subsidy: \$54,400 subsidy with a loan of \$217,600.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$217,600, the town of Humboldt would have to establish a surcharge of approximately \$8.50 thereby paying a rate \$37.75/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Town of Humboldt  Address: PO Box 72 Humboldt, South Dakota 57035-0072  Subapplicant:  DUNS Number: 015830888	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$272,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$272,000</b></td> </tr> </table>	Requested Funding	\$272,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$272,000</b>
Requested Funding	\$272,000												
Local Cash	_____												
Other:	_____												
Other:	_____												
Other:	_____												
<b>TOTAL</b>	<b>\$272,000</b>												

Project Title: Water Meter Replacement Project

**Description:**

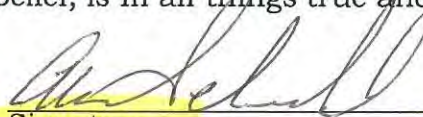
The Town of Humboldt proposes to convert approximately 252 exiting water meters to an automatic meter reading system. The existing water meters are over 20 years old. All meters will be replaced through this proposal. The Town also proposes to purchase the required computer system and software associated with the new meters. The proposed water metering system will allow the town to more efficiently gather water usage data and improve the overall accuracy of the data collected.

Current water rates are \$29.25 for 5,000 gallons of usage. There is a reserve fund.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Allen Schmeichel, Mayor  
Name & Title of Authorized Signatory  
(Typed)

  
 Signature 1-31-17  
 Date

**FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF PLANKINTON**

Project Title: Water Meter Installation

Funding Requested: \$240,000

Other Proposed Funding: None

Total Project Cost: \$240,000

Project Description: The city of Plankinton will install new digital water meters to enable accurate determination of water sales. The city has water loss in excess of 20 percent, and most of the current water meters were installed in 1991.

Alternatives Evaluated: Alternative 1: No action. This alternative was not selected because taking no action will not enable to the city to accurately bill water usage and detect leakage.

Alternative 2: Installation of Water Meters. This alternative involves installation of digital water meters to Plankinton residents. This alternative was selected because it will allow the city to accurately bill water usage and detect leakage in the system.

Implementation Schedule: The city of Plankinton anticipates bidding the project in July 2017 with a project completion date of April 2018.

Service Population: 707

Current Domestic Rate: \$33.00 per 5,000 gallons usage

Interest Rate: 2.00%      Term: 10 years      Security: Project Surcharge



DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Plankinton would have to establish a surcharge of approximately \$6.90. When added to current rate of \$33/5,000 gallons residents would be paying \$39.90/5,000 gallons.

10% Funding Subsidy: \$24,000 subsidy with a loan of \$216,000.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$216,000 Plankinton would have to establish a surcharge of approximately \$6.20 thereby paying a rate \$39.20/5,000 gallons.

20% Funding Subsidy: \$48,000 subsidy with a loan of \$192,000.

Coverage at 20% Subsidy: Based on a 50% subsidy and a loan of \$192,000 Plankinton would have to establish a surcharge of approximately \$5.50 thereby paying a rate \$38.50/5,000 gallons.

25% Funding Subsidy: \$60,000 subsidy with a loan of \$180,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$180,000 Plankinton would have to establish a surcharge of approximately \$5.25 thereby paying a rate \$38.25/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: LUKUS LEIDHOLT

RECEIVED

ORIGINAL

JAN 03 2017

Division of Financial & Technical Assistance

SD EForm - 2126LD V5

### Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Plankinton  Address: PO Box 517 Plankinton, SD 57368  Subapplicant:  DUNS Number: 18-294--796	Proposed Funding Package  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right;">\$240,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right;"><b>\$240,000</b></td> </tr> </table>	Requested Funding	\$240,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	<b>TOTAL</b>	<b>\$240,000</b>
Requested Funding	\$240,000												
Local Cash	_____												
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Other:	_____												
<b>TOTAL</b>	<b>\$240,000</b>												

Project Title: Water Meter Project

Description:

The City has experienced water loss in excess of 15% in recent years. The City would like to automate the meter reading system to be able to notify residents when a water leak has been identified.

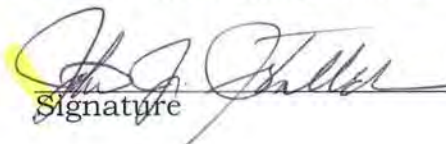
The City will use new software to collect, store, and evaluate the meter data. The new system will help the City accurately monitor water sales and evaluate potential water losses. Finally, the new system will make operation of the system more cost-effective through a more efficient billing system.

The City charges \$33 to 382 household and commercial connections for 5,000 gallons of drinking water. The City also charges \$49.50/5,000 gallons for several connections outside the City limits.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Joe Staller, Mayor  
Name & Title of Authorized Signatory  
(Typed)



December 28, 2016  
Date

FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF WORTHING

Project Title: Water Meter Replacement

Funding Requested: \$120,000

Other Proposed Funding: None

Total Project Cost: \$120,000

Project Description: The city of Worthing is proposing to replace its existing self-read water meters with new remote read meters. In recent years the city has averaged water loss of 24 percent with some months as high as 35 percent loss. Due to the age of the existing meters, the city does not accurately account for all water especially when combined with the potential for mistakes of self read meters. The new meters are expected to help to lower the water loss and simplify the reading of meters and billing for water use.

Alternatives Evaluated: There were no other alternatives considered. Not replacing the meters would only continue to increase losses for the city. The city receives water from South Lincoln Rural Water and must pay for all water that enters its system. Continued high unbilled water loss will cause the city to pay more to South Lincoln and not charge the users accurately for the water being consumed.

Implementation Schedule: Worthing anticipates bidding the project in October 2017 with a project completion date of March 2018.

Service Population: 877

Current Domestic Rate: \$52.50 per 5,000 gallons usage

Interest Rate: 2.0%

Term: 10 years

Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, the city of Worthing would have 41% coverage based on the current rate of \$52.50/5,000 gallons.

25% Funding Subsidy: \$30,000 subsidy with a loan of \$90,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$90,000, the city of Worthing would have 55% coverage based on the current rate of \$52.50/5,000 gallons.

50% Funding Subsidy: \$60,000 subsidy with a loan of \$60,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$60,000, the city of Worthing would have 83% coverage based on the current rate of \$52.50/5,000 gallons

75% Funding Subsidy: \$90,000 subsidy with a loan of \$30,000.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$30,000, the city of Worthing would have 166% coverage based on the current rate of \$52.50/5,000 gallons

ENGINEERING REVIEW COMPLETED BY: ANDY BRUELS

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Worthing, City of  Address: PO Box 277 Worthing, SD 57077-0277  Subapplicant:   DUNS Number: 182491493	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$120,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">0</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$120,000</b></td> </tr> </table>	Proposed Funding Package		Requested Funding	\$120,000	Local Cash	0	Other: _____		Other: _____		Other: _____		<b>TOTAL</b>	<b>\$120,000</b>
Proposed Funding Package															
Requested Funding	\$120,000														
Local Cash	0														
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Other: _____															
<b>TOTAL</b>	<b>\$120,000</b>														

Project Title: Worthing Water Meter Project

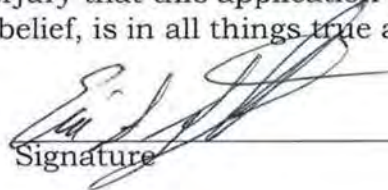
Description:

The small community of Worthing purchases their water from South Lincoln Rural Water and is experiencing water losses averaging 35% per month. This large loss is preventing revenues sufficient to cover operating costs and routine maintenance is being delayed. Worthing is applying for loan/grant assistance to install automatic read meters on approximately 360 active connections. The community is currently metered by customer read meters that have exceeded their useful lifespan. Current rates for both residential and commercial customers are \$24.75 per month (includes loan repayment surcharges of \$4.10 and \$1.73) plus \$5.55 for each 1000 gallons of water used. Cost for 5000 gallons is \$52.50. Worthing does maintain funds for Reserve and Replacement.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Eric S. Saugstad, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)



\_\_\_\_\_

12/19/2016  
 \_\_\_\_\_  
 Date

FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF DOLAND

Project Title:	Water Meters
Funding Requested:	\$150,000
Other Proposed Funding:	None
Total Project Cost:	\$150,000
Project Description:	Replace water meters throughout the community with meters that are read remotely.
Alternatives Evaluated:	<p>The No Action alternative was evaluated and rejected due to the issues with manually reading the meters.</p> <p>The remote read meter alternative was chosen due to the increased efficiencies with the collection of meter readings. This alternative includes remote read meters, a mobile reading system, and computer.</p>
Implementation Schedule:	Doland anticipates bidding the project in June 2017 with a project completion date of December 2017.
Service Population:	180
Current Domestic Rate:	\$41.50 per 5,000 gallons usage
Interest Rate: 2.0%	Term: 10 years      Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Doland would have to establish a surcharge of approximately \$9. When added to current rate of \$41.50/5,000 gallons residents would be paying \$50.50/5,000 gallons.

25% Funding Subsidy: \$37,500 subsidy with a loan of \$112,500.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$112,500 Doland would have to establish a surcharge of approximately \$6.75 thereby paying a rate \$48.25/5,000 gallons.

50% Funding Subsidy: \$75,000 subsidy with a loan of \$75,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$75,000 Doland would have to establish a surcharge of approximately \$4.50 thereby paying a rate \$46 /5,000 gallons.

75% Funding Subsidy: \$112,500 subsidy with a loan of \$37,500.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$37,500 Doland would have to establish a surcharge of approximately \$2.25 thereby paying a rate \$43.75/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Doland  Address: PO Box 326 Doland, SD 57436 605-635-6590  Subapplicant:   DUNS Number: 198235173	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$150,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$150,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$150,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	TOTAL	\$150,000
Proposed Funding Package															
Requested Funding	\$150,000														
Local Cash	_____														
Other:	_____														
Other:	_____														
Other:	_____														
TOTAL	\$150,000														

Project Title: Doland Water Meters

Description:

The City of Doland is proposing to replace their water meters throughout town. The current meters have outlived their useful life and replacement meters and parts are no longer available. The City also recently discovered lead in the meters which shows up in water tests. The City plans to install new meters and a remote read system.


Doland's current rate for drinking water is \$39.00 per user per month for 5,000 gallons. However, the City has approved a rate increase to take effect January 1, 2017 raising the rates to \$42.50 per user per month for 5,000 gallons.

---

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Craig Schroeder, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 \_\_\_\_\_  
 Signature

December 05, 2016  
 \_\_\_\_\_  
 Date



**FUNDING REQUEST EVALUATION FORM**  
**DRINKING WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF MILLER**

Project Title: City of Miller

Funding Requested: \$2,399,000

Other Proposed Funding: \$1,000 – USDA Rural Development

Total Project Cost: \$2,400,000

Project Description: The city of Miller is proposing to replace water main throughout the city to address problems with its distribution system. This project, Phase II, will replace approximately 13,500 of 6-inch water main, 1,650 feet of 8-inch water main, and other necessary appurtenances.

Alternatives Evaluated: The “No Action” Alternative was not chosen because it would not correct any problems present in the distribution system.

“Water Distribution Phase III” was not chosen because Phase II repairs are a higher priority. Phase III work will be considered when Phases I and II are completed.

“Replace Remaining ACP” proposes to replace all asbestos cement pipe that was not addressed in the prior phases. This alternative was not chosen because Phases I, II, and III are a higher priority.

Implementation Schedule: The City of Miller anticipates bidding this project in November 2017 with a completion date in November 2018.

Service Population: 1,461

Current Domestic Rate: \$53.00 per 5,000 gallons usage

Interest Rate: 2.25%      Term: 30 years      Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan the city of Miller would have to establish a surcharge of approximately \$10.90. When added to current rate of \$53.00/5,000 gallons residents would be paying \$63.90/5,000 gallons.

25% Funding Subsidy: \$599,750 subsidy with a loan of \$1,799,250.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$1,799,250, the city of Miller would have to establish a surcharge of approximately \$8.15 thereby paying a rate \$61.15/5,000 gallons.

50% Funding Subsidy: \$1,199,500 subsidy with a loan of \$1,199,500.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$1,199,500, the city of Miller would have to establish a surcharge of approximately \$5.45 thereby paying a rate \$58.45/5,000 gallons.

75% Funding Subsidy: \$1,799,250 subsidy with a loan of \$599,750.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$599,750, the city of Miller would have to establish a surcharge of approximately \$2.75 thereby paying a rate \$55.75/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

MAR 01 2017

SD EForm - Division of Financial & Technical Assistance

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Miller  Address: 120 West 2nd St. Miller, SD 57362-1316  Subapplicant:   DUNS Number: 071365993	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,399,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">USDA-RD \$1,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,400,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$2,399,000	Local Cash	_____	Other: _____	USDA-RD \$1,000	Other: _____	_____	Other: _____	_____	TOTAL	\$2,400,000
Proposed Funding Package															
Requested Funding	\$2,399,000														
Local Cash	_____														
Other: _____	USDA-RD \$1,000														
Other: _____	_____														
Other: _____	_____														
TOTAL	\$2,400,000														

Project Title: Miller Water Distribution - Phase II

**Description:**

The City of Miller is experiencing problems with its waterline distribution system. Phase II of this project is replacing approximately 13,500 linear feet of 6" water main, 1,650 linear feet of 8" water main. This also includes replacing gate valves, curb stops and fire hydrants in the Phase II area. A map of the Phase II area is attached. Current water rates include a base rate of \$21.06 plus \$11.94 surcharge. Each 1,000 gallons also has a four dollar per thousand gallon charge. Total rate per 5,000 gallons is \$53.00 for residential customers.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ron Blachford, Mayor  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature

02 23-14  
 Date

FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF SALEM

Project Title: Phase One Water Distribution Improvements

Funding Requested: \$802,000

Total Project Cost: \$802,000

Project Description: Replacement of approximately 5,000 feet of aged and deteriorating cast iron pipe.

Alternatives Evaluated: The No Action alternative was not considered acceptable because it would not address the deficiencies in the distribution system.

Alternatives evaluated were replacing all the asbestos concrete pipe in the distribution system, replacing all the cast iron pipe in the distribution system, or taking a phased approach to replacing the cast iron pipe. The latter was the chosen alternative.

Implementation Schedule: Salem anticipates bidding the project in January 2018 with a project completion date of November 2018.

Service Population: 1,325

Current Domestic Rate: \$55.40 per 5,000 gallons usage

Interest Rate: 2.25%      Term: 30 years      Security: Project Surcharge

### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Salem would have to establish a surcharge of approximately \$5.25. When added to current rate of \$55.40/5,000 gallons residents would be paying \$60.25/5,000 gallons.

25% Funding Subsidy: \$200,500 subsidy with a loan of \$601,500.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$601,500 Salem would have to establish a surcharge of approximately \$3.95 thereby paying a rate \$59.35/5,000 gallons.

50% Funding Subsidy: \$401,000 subsidy with a loan of \$401,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$401,000 Salem would have to establish a surcharge of approximately \$2.65 thereby paying a rate \$58.05 /5,000 gallons.

75% Funding Subsidy: \$601,500 subsidy with a loan of \$200,500.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$200,500 Salem would have to establish a surcharge of approximately 1.35 thereby paying a rate \$56.75 /5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: MIKE PERKOVICH

FINANCIAL REVIEW COMPLETED BY: DAVE RUHNKE



TITLE: Small Water Facilities Funding Application

EXPLANATION: The following application has been received by DENR for funding consideration at this meeting. The project priority points shown in the Intended Use Plan are listed in parentheses.

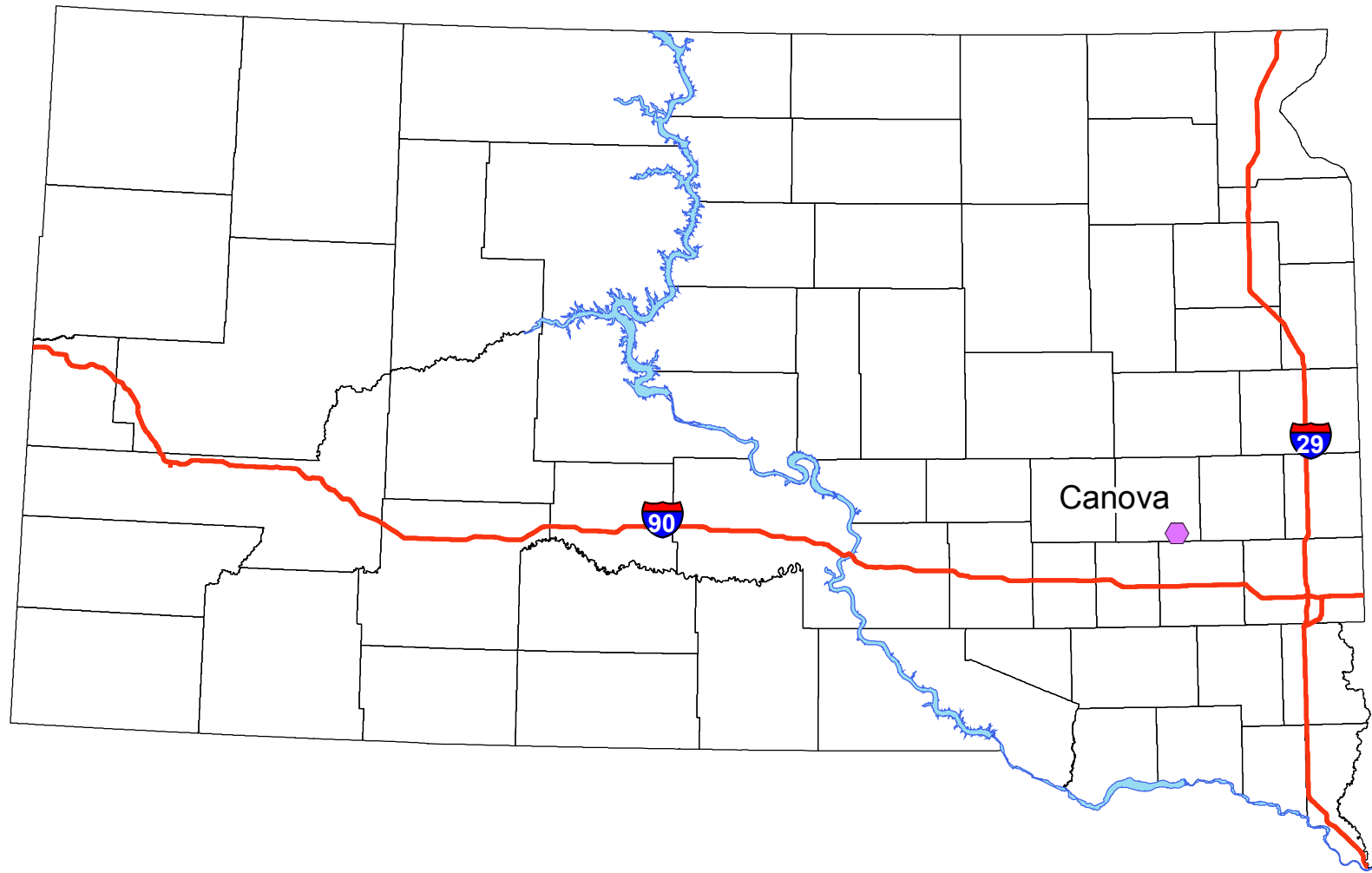
- a. Canova (17)

COMPLETE APPLICATIONS: An application cover sheet and summary sheet with a financial analysis has been provided as part of the board packet. A complete application is available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsswf0317.pdf>

If you would like a hard copy of the application, please contact Andy Bruels at (605) 773-4216.

# Small Water Facilities Funding Applications March 2017





**FUNDING REQUEST EVALUATION FORM**  
**SMALL WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: TOWN OF CANOVA**

Project Title: Water Meter Replacement

Funding Requested: \$52,590

Total Project Cost: \$52,590

Project Description: Replacement of all 58 water meters in town and installation of several more at unmetered locations.

Alternatives Evaluated: The No Action alternative was not considered acceptable because it would not address the meter deficiencies.

Replacing the existing meters with an outside manual read system or a hand-held radio read system. The outside manual read system was chosen because of cost considerations.

Implementation Schedule: Canova anticipates a project completion date of October 2017.

Service Population: 96

Current Domestic Rate: \$31 per 5,000 gallons usage

Interest Rate: 2.00%

Term: 10 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Canova would have to establish a surcharge of approximately \$8.37. When added to current rate of \$31.00/5,000 gallons residents would be paying \$39.37/5,000 gallons.

25% Funding Subsidy: \$10,518 subsidy with a loan of \$42,072.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$42,072 Canova would have to establish a surcharge of approximately \$6.28 thereby paying a rate \$37.28/5,000 gallons.

50% Funding Subsidy: \$ 26,295 subsidy with a loan of \$26,295.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$26,295 Canova would have to establish a surcharge of approximately \$4.19 thereby paying a rate \$35.19 /5,000 gallons.

65% Funding Subsidy: \$ 34,000 subsidy with a loan of \$18,000.

Coverage at 65% Subsidy: Based on a 65% subsidy and a loan of \$18,000 Canova would have to establish a surcharge of approximately \$3.00 thereby paying a rate \$34.00 /5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: MIKE PERKOVICH

FINANCIAL REVIEW COMPLETED BY: LUKUS LEIDHOLT

**Small Water Facilities Funding Application**

RECEIVED

Total Project Cost Not To Exceed \$250,000

or

Ineligible State Revolving Fund Projects

JAN 03 2017

Consolidated Water Facilities Construction Program (CWFCP)  
CW SRF Water Quality Grants (WQ Grant)Division of Financial  
& Technical Assistance

<b>Applicant:</b> Town of Canova <b>Address:</b> PO Box 219 Canova, SD 57321  <b>Phone Number:</b> (605) 523-2350	<b>Proposed Funding Package</b>	
	Requested Funding	\$52,590
	Local Cash	_____
	Other:	_____
	Other:	_____
	Other:	_____
	<b>TOTAL</b>	<b>\$52,590</b>

Project Title: Town of Canova Water Meter Replacement

Description:

Replacement of existing water meters with iPERL meters throughout the Town of Canova.

The Town of Canova proposed to replace old water meters throughout the community. There are 58 water meters in the community at this time. Water meters will also be installed at several currently unmetered locations. After the project is complete there will be approximately 65 water meters replaced or installed in the Town of Canova.

Current water loss is estimated to be in excess of 40% and this project should reduce water loss by accounting for all water used within the boundaries of the water system. Increased water revenues are also anticipated as a result of replacing existing meters that are either inaccurate or not functioning correctly at this time.

---

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ronald Miller, Board President  
 \_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

*Ronald Miller*  
 \_\_\_\_\_  
 Signature

12-26-16  
 \_\_\_\_\_  
 Date

TITLE: South Dakota Lake Conditions

EXPLANATION: Over the years, EPA has been asked what the condition of the nation's water bodies is and whether water quality is improving or declining. Although there are decades of monitoring nationwide, the question could not be accurately answered with existing data due to variable designs and methods. As a result, the National Aquatic Resource Survey (NARS) was developed. Beginning in 2006, a random statistical design was employed that selected 1000 lakes nationwide. In 2007, all of these waters were sampled through a collaborative effort between EPA, states, tribes, and contractors. The resulting data provided a baseline for the overall condition of U.S. lakes. This design was repeated again in 2012 and is scheduled for a third cycle during the summer of 2017. Similar designs have been employed for streams, coastlines, and wetlands. Through survey repetition, information on whether and how the nation's waters are changing will begin to emerge.

At the completion of the 2007 survey, staff at DENR determined that a similar design within South Dakota would provide important data on its lakes. To coincide with the biennial Integrated Report (IR), a survey design was initiated that would collect data over a 2-year period and could be reported on in each of these reports. The 2010 IR was the first to include this information, and the survey effort has been continued and results reported in the IRs since then.

The importance of the data was highlighted during the 2016 IR. EPA establishes reporting elements to be included in the integrated reports. Metrics which include the percent of impaired waters may reflect changes in water quality standards. This provides the appearance of changing water quality in the absence of real change. The 2016 IR included a substantial increase in the percent of impaired lakes as a result of the state adopting a lower standard for mercury in fish tissue. Statistical data for the 2016 IR indicated that no significant changes had occurred in the water quality of lakes.

Attached are summary sheets for both the national and state surveys. The survey designs are the same; however, the South Dakota survey focuses on the water quality parameters that are most important to determining the condition of our lakes.

RECOMMENDED ACTION: Informational item

CONTACT: Sean Kruger (773-4254)

# South Dakota Lake Conditions

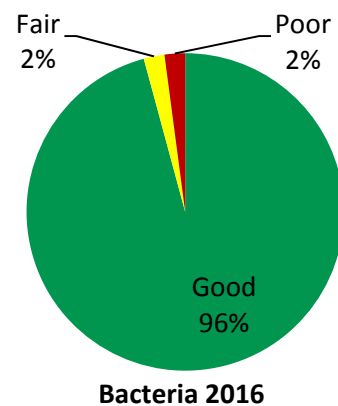
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Beginning in 2008, SDDENR took steps to answer questions about the condition of all classified lakes and their water quality trends. Sampling efforts moved from focusing on a subset of lakes that were individually targeted to a random selection of classified lakes. Random selection design provides an overall view of the water quality in South Dakota lakes. These results are different than an impairment status. Determining impairment status involves looking at multiple sampling dates in different years for a single water body and when a portion of the data exceeds standards the water is considered impaired. Data interpretations are subject to changing standards and their application which can result in impairment status changes without any change in water quality.

Interpreting the random results with statistics provides an accurate assessment of the overall condition of all of classified lakes. Using this approach removes the influence of changing standards and provides a clear view of condition as well as a basis for trend detection. Statistical sampling is conducted in two year cycles and summarized in the subsequent integrated report. The first cycle summarizing 2008-2009 data was presented in the 2010 report. The most recent cycle was compiled for the 2016 report representing the 4<sup>th</sup> summary and presented in the following graphics.

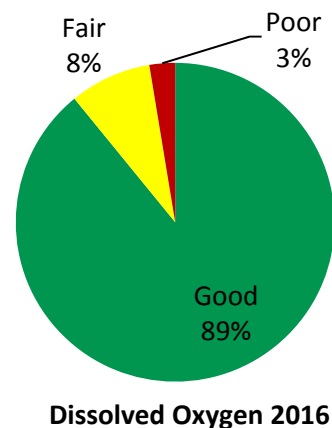
## <10% Bacteria Contamination 2008-2015:

Elevated (fair and poor) *E. coli* levels were detected in 4-10% of lakes from 2010-2016. Lakes classified as fair condition were adequate for limited contact recreation but exceeded the immersion recreation limit. Lakes classified as poor had bacteria levels in excess of the limited contact recreation level which occurred less than 2% of the time. Although insufficient data exists to make a trend determination, the levels have been consistent between the surveys.



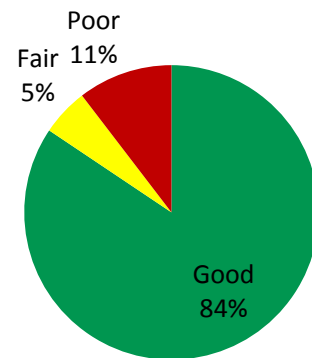
## <17% Low Dissolved Oxygen 2008-2015:

Low oxygen levels (fair and poor) were detected in 5-17% of lakes in the different reporting periods. Dissolved oxygen is critical to aquatic life survival. The most common cause of low levels of oxygen is the decay of excessive plant growth that is commonly associated with excessive nutrient levels. Lakes were classified in poor condition when levels were inadequate throughout the lake. Waters with over half of the measurements indicating low oxygen were assigned a fair classification.



## <24% High pH levels 2008-2015:

High pH levels (fair and poor) were detected in 7-24% of lakes in the different reporting periods. pH is an expression of the acidity of water. Acidic or low pH levels are rarely found in South Dakota waters. More commonly, basic or high levels are measured. Elevated pH levels can negatively impact fish reproduction, particularly in more sensitive cold water species. The most common cause of elevated pH in South Dakota lakes is from algal blooms. Poor conditions indicate high levels throughout the lake. Waters with over half of the measurements indicating high levels were assigned a fair classification.

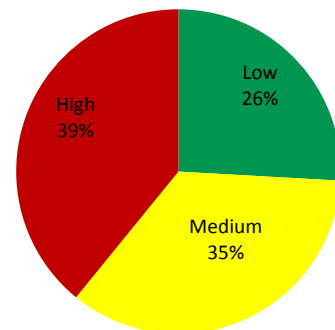


pH 2016

## Conditions not Regulated by Numeric Standards

### >35% High levels of Chlorophyll a:

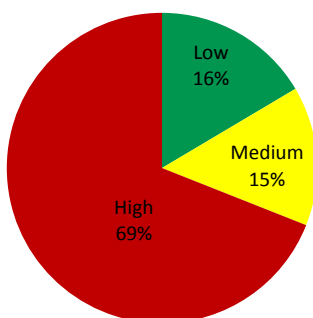
Chlorophyll a is the green pigment in algae and is a measure of lakes productivity. High levels are associated with excess nutrients. The pigment itself is not harmful, but it is an indicator of other risks including low oxygen levels, elevated pH, and the potential presence of harmful cyanobacteria. South Dakota does not have a numeric standard for chlorophyll a. The graph is based on regional levels used for the EPA National Lake Assessment. The low category represents conditions similar to those in the best condition in the EPA report while the high category represents those in the worst condition.



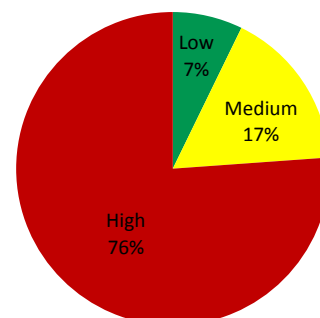
Chlorophyll a 2016

### >70% Exceed EPA Nutrient Thresholds

South Dakota does not have numeric nutrient standards for phosphorus and nitrogen. Regionally, EPA has identified concentrations deemed likely to cause impairments such as depleted oxygen levels and blooms of harmful cyanobacteria. When South Dakota Lakes are compared to the EPA thresholds, 69% of lakes exceeded the level for phosphorus and 76% exceeded the level for nitrogen. Although not listed as impaired because of concentrations, these graphs provide an estimate of the potential proportion of numeric nutrient impairments that may be expected if similar nutrient thresholds are adopted.



Phosphorus 2016



Nitrogen 2016

# The National Lakes Assessment (NLA) 2012

**L**akes and reservoirs provide many environmental, economic, and public health benefits. We use lakes for drinking water, energy production, food and recreation. Fish, birds and other wildlife rely on them for habitat and survival. In the National Lakes Assessment (NLA), the U.S. Environmental Protection Agency (EPA) and its partners surveyed a wide array of lakes representative of those found in the U.S., from small ponds and prairie potholes to large lakes and reservoirs. The NLA is part of the National Aquatic Resource Surveys, a series of statistically-based assessments designed to provide the public and decision-makers with nationally consistent and representative information on the condition of the nation's waters.

## What is the condition of lakes across the country?

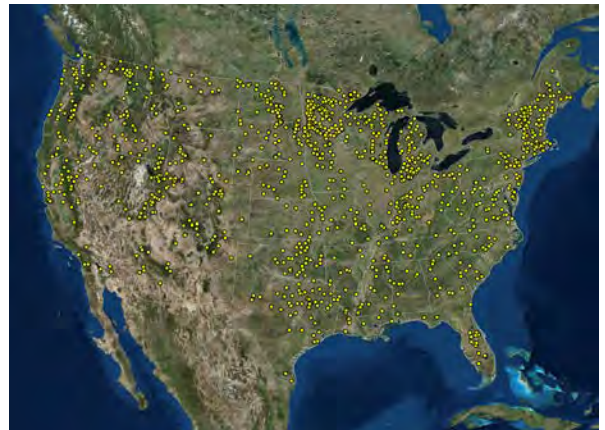
**>35%** **Nutrient pollution:** Nutrient pollution is a widespread problem across the country. *About 1 in 3 lakes (35%) have excess nitrogen and 2 out of 5 lakes (40%) have excess phosphorus.* Too much of the nutrients nitrogen or phosphorus can contribute to algal blooms, low levels of oxygen, and harm to aquatic life.

**<1%** **Microcystin:** An algal toxin, microcystin, is detected in 39% of lakes, but *concentrations rarely reach moderate or high levels of concern* established by the World Health Organization (<1% of lakes).

**<1%** **Atrazine:** The herbicide atrazine is detected in 30% of lakes, but *concentrations rarely reach the EPA level of concern* for plants in freshwaters (<1% of lakes).

**31%** **Biological condition:** We find that *31% of lakes have degraded benthic macroinvertebrate communities, which include small aquatic creatures like snails and mayflies.* Analyses show an association between nutrients and biological condition. Lakes with high levels of phosphorus are 2.2 times as likely to have a degraded benthic macroinvertebrate community and lakes with high levels of nitrogen are 1.6 times as likely to have a degraded benthic macroinvertebrate community.

NLA 2012 Sampled Sites



*The NLA indicates that nutrient pollution is common in U.S. lakes. Compared to other measures, nutrient pollution is the most widespread stressor measured in the NLA and can contribute to blooms and affect recreational opportunities in lakes.*



## Are conditions getting better or worse?

A comparison of the 2007 and 2012 National Lakes Assessments indicates little change between surveys. In most cases, the percentage of lakes in degraded biological, chemical and physical condition did not change over this five year period, with a few notable exceptions.

**13%** ↓ **Lake drawdown:** Drawdown of lake water levels, whether by natural process or through direct manipulation, can adversely affect physical habitat conditions. Between 2007 and 2012, the NLA shows improving conditions with *13% fewer lakes in the most disturbed condition.*

**8.3%** ↑ **Cyanobacteria:** The NLA measured the density of cyanobacteria cells, which can produce cyanotoxins, as an indicator of toxic exposure risk. The analysis reveals worsening conditions, with *8.3% more lakes in the most disturbed condition in 2012 than in 2007.*

**9.5%** ↑ **Microcystin:** The NLA shows a *9.5% increase in the detection of an algal toxin, microcystin.* However, concentrations of this algal toxin remain low and rarely exceeds WHO recreational levels of concern (<1% of the population) in both assessments.

**18.2%** ↓ **Phosphorus:** While the proportion of lakes in each nutrient condition category was unchanged, apparent large changes were observed in lakes with the lowest levels of nutrients—in-depth analyses indicate a dramatic *18.2% decline in the percentage of the lake population that might be considered oligotrophic (<10 µg/L of total phosphorus).*

## What are we doing to address problems?

The NLA indicates that our lakes are under stress. In particular, the NLA suggests a need to reduce nutrient pollution to improve lake conditions. EPA is working on many fronts to reduce the severity, extent, and impacts of nutrient pollution in our nation's lakes and other waters. These efforts involve overseeing regulatory programs, conducting outreach and engaging partners, providing technical and programmatic support to states, financing nutrient reduction activities, and conducting research and development. For more information on what EPA is doing to reduce nutrient pollution, visit [epa.gov/nutrientpollution](http://epa.gov/nutrientpollution).

The NLA offers a unique opportunity to frame discussions and plan strategies for the protection and restoration of lakes across the United States. Additional information from the NLA is available online at [epa.gov/national-aquatic-resource-surveys/nla](http://epa.gov/national-aquatic-resource-surveys/nla). Website visitors can explore NLA results with interactive dashboards, find assessments of regional conditions, examine differences between natural lakes and reservoirs, and more.





**TITLE:** First Amendment to State Water Resources Management System Grant Agreement #2016-64 – DENR Big Sioux Hydrologic Model

**EXPLANATION:** At its March 2016 meeting, the Board of Water and Natural Resources placed \$750,000 appropriated by the 2016 State Legislature under agreement with Department of Environment and Natural Resources for development of a hydrologic and hydraulic model of the Big Sioux River Basin. RESPEC Consulting was selected through a request for proposals process to develop the model and inundation mapping tools. Contract terms and scope of work based on the available \$750,000 were negotiated, and the agreement was signed August 25, 2016.

The contract and scope of work were structured to adjust the time and dollars to refine and finish the model and inundation mapping tools based on input from scoping meetings with federal, state, and local entities. The department has submitted a request to place under agreement an additional \$550,000 of the funding appropriated for statewide hydrology and water management studies. The requested funding completes the funding package for the Big Sioux River Basin hydrologic and hydraulic model. Development of the model and inundation mapping tools are on schedule and will be completed in 2018.

Approximately \$200,000 remains available from the funds appropriated by the 2015 State Legislature in Senate Bill 178, and the balance of requested funding would be provided from funds appropriated by the 2017 State Legislature in Senate Bill 70 which was signed by Governor Daugaard on March 8, 2017. The First Amendment to the grant agreement has been drafted with the assistance of DENR legal counsel, and the DENR review process has been completed.

**RECOMMENDED ACTION:** Approve the resolution authorizing the Chairman to execute First Amendment to State Water Resources Management System Grant Agreement #2016-64 with the Department of Environment and Natural Resources

**CONTACT:** Jim Feeney (773-4216)



DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES

JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

March 6, 2017

Mr. Brad Johnson, Chairman  
Board of Water and Natural Resources  
523 East Capitol Avenue,  
Pierre, SD 57501

RE: Request to Place SWRMS Funds for the Big Sioux River Basin Hydrologic and Hydraulic Model under Agreement

Dear Mr. Johnson:

On behalf of the Department of Environment and Natural Resources, I respectfully request the Board of Water and Natural Resources place under agreement an additional \$550,000 of the funding appropriated for statewide hydrology and water management studies. Together with the \$750,000 provided in SWRMS grant agreement #2016-64, the requested funding will complete the funding package for the Big Sioux River Basin hydrologic and hydraulic model and related products.

The department has identified the potential for using a portion of the funding for installation of stream flow sensors basin wide and high resolution hydrographic mapping of the lower Big Sioux River Basin. While outside the RESPEC Consulting contract, these activities directly complement the hydrologic and hydraulic model and inundation mapping tools that the consulting team is developing.

The model will aid federal, state and local officials in assessing potential impacts of future Big Sioux River flood events so that appropriate and cost effective flood protection strategies can be implemented. The model is on schedule to be completed in 2018.

Sincerely,

Steven M. Pirner  
Secretary

**TITLE:** Board of Water and Natural Resources SFY 2018 Meeting Schedule

**EXPLANATION:** Each year the board establishes a tentative meeting schedule for the coming fiscal year. The following dates are suggested for the board's consideration.

September 28-29, 2017

November 9, 2017

January 4, 2018

March 29-30, 2018

June 28-29, 2018

**RECOMMENDED ACTION:** Set tentative SFY 2018 schedule for Board of Water and Natural Resources meetings.

**CONTACT:** Mike Perkovich  
773-4216

## July 2017–June 2018

### July 2017

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

### August 2017

Su	Mo	Tu	We	Th	Fr	Sa
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27	28	29	30	31		

### September 2017

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17	18	19	20	21	22	23
24	25	26	27	28	29	30

### October 2017

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### November 2017

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### December 2017

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31						

### January 2018

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28	29	30	31			

### February 2018

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25	26	27	28			

### March 2018

Su	Mo	Tu	We	Th	Fr	Sa
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18	19	20	21	22	23	24
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### April 2018

Su	Mo	Tu	We	Th	Fr	Sa
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

### May 2018

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
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20	21	22	23	24	25	26
27	28	29	30	31		

### June 2018

Su	Mo	Tu	We	Th	Fr	Sa
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